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NEWS SUMMARY

GENERAL

Gemayel elected Lebanon President

Violence flared as Bachir Gemayel, 34, the commander of the right-wing Christian Phalange militia was elected Lebanon's president. Moslem and left-wing forces opposed the election and the house of a leading Moslem deputy, who voted for Gemayel, was hit by grenades. The home of the speaker of the Lebanese parliament was burned down. Gemayel is a controversial figure because of his association with Israel. Back Page

Boy, 11, killed

Marsabiyt police are questioning a boy, nine, after an 11-year-old boy died after being struck in the chest with a knife.

Mrs Thatcher op

Premier Margaret Thatcher was said to be "fine" in a private London clinic after a 90-minute operation for varicose veins. Page 6

Scientists 'dead'

The three British scientists missing in the Antarctic are now believed dead, said the British Antarctic Survey director, Dr Richard Laws.

Strike talks fail

Talks aimed at ending the British ambulance men's strike ended in deadlock. The strikers meet today to decide whether to continue their stop-work.

Return to Venezuela

At the same time in critical of increasing industry production and private enterprise.

Fare

British air fares are cutting fare half to holiday. An economy fare will cost £71. Page 6

Banker hanged

A Syrian banker was hanged in a Damascus street after being convicted of embezzling \$2.6m and then trying to burn down his bank to conceal the crime.

Iran trial

An Iranian court is considering its verdict on former Foreign Minister Sadeq Qotbadeh, charged with trying to overthrow the government. It is thought he will be jailed for life.

Australian strike

A general strike in Queensland, by unions campaigning for a 38-hour week, brought much of the Australian state to a halt.

Two slain

Two men were injured in an explosion on the Norwegian chemical tanker Bow Queen, off Devon.

Streets ahead

James Millen, 13, from Gloucester, became the 1982 British Monopoly champion, at his first attempt.

Briefly...

Forest fires in south east France killed two people. Painting by Adolf Hitler is to be auctioned in Ghent, next month.

Security guard

Security guards grabbed a man threatening to hang himself in London's law courts, in the Strand.

British ship

British ship Duet won the Cutty Sark Tall Ships' Race.

BUSINESS

Gilts at highest for nearly five years

GILTS moved strongly. Most of the buying was in long which rose up to 1 1/2 points. The Government Securities index gained 0.79 to 78.92, its highest since October 6, 1977. Page 21

EQUITIES

EQUITIES enthusiasm faded on domestic economic worries. The FT 30-share index closed 4.1 off at 576.5. Page 21

WALL STREET

WALL STREET was up 8.18 at 377.47 at mid-session with trading topping 91m shares. Page 20

DOLLAR

DOLLAR eased in thin trading to Y254.5 (Y254.75), DM 2.455 (DM 2.453) and Sfr 2.07 (Sfr 2.072), but edged up to Ffr 6.875 (Ffr 6.85). Its trade-weighted index was unchanged at 130.2. Page 23

STERLING

STERLING firmed to \$1.7465, up 55 points on the day, DM 4.285 (DM 4.2725), Ffr 11.99 (Ffr 11.935), Sfr 3.6175 (Sfr 3.61) and Y46.5 (Y444). Its index was 914.5 (911.5). Page 22

GOLD

GOLD rose \$9.25 to \$393.5 in London. In New York the Comex August close was \$399.2 (\$397.25). Page 17

CASH TIN

CASH TIN rose £175 to £7,210 a tonne, its highest for six months, on forecasts that buffer stock buying would remove surplus supplies. Page 17

DRESSER-FRANCE

DRESSER-FRANCE, a U.S.-controlled company, was sold by the French authorities to go ahead with its share of the Siberian gasline deal. Back Page

GENERAL MOTORS

GENERAL MOTORS, which has Japanese associates, warned Japanese car exporters to the U.S. to "jump in quickly" with offers of further restraint. Back Page

JAPANESE

JAPANESE are discussing limiting the amount of single Samurai bonds—yen bonds issued by foreigners—to increase the number of issues. Page 19

RECEIVERS

RECEIVERS talks this week could decide the fate of 4,000 jobs in furniture, toys, engineering and cutlery companies. Back Page

RANKS HOVIS

RANKS HOVIS McDougall launches a drive next month to increase its share of the UK dry pasta market with, for example, Pasta Pasta. Page 5

PROFESSIONAL

PROFESSIONAL bodies have stopped insisting that their members operate as partnerships so allowing them tax benefits given to companies. Page 6

WINTERTHUR

WINTERTHUR, Swiss insurance company, is making a \$30m (£18m) agreed bid for REPAC Financial Services, a Dallas holding company. Page 18

NORSDATA

NORSDATA, Norwegian computer maker, lifted first-half pre-tax profits 143 per cent to Nkr 12.4m (£1.1m) on increased competitiveness. Page 19

ROECHST

ROECHST, leading West German chemicals group, reported first-half taxable profits 20.5 per cent down at DM 558m (£130m). Page 19

HOLLIS BROS. & ESA

HOLLIS BROS. & ESA timber group cut taxable losses to £4.58m (£4.82m) in the year to March 31 after lower interest charges. Page 14

Spadolini leads his coalition back to power in Italy

BY RUFERT CORNWELL IN ROME

SIG GIOVANNI SPADOLINI formed Italy's 42nd post-war government yesterday, restoring to power the same five-party coalition and a quarrelsome cabinet which with the one which collapsed in August.

The 56 junior ministers at work when the Government collapsed have returned to their posts. There is only one new face—an under-secretary in the Premier's office. His predecessor died in July.

This means Sig Emilio Colombo remains as Foreign Minister, and the skrimishing between Sig Nino Andreatta, the Christian Democrat Treasury Minister and Sig Rino Formica, the Socialist Finance Minister—the epitome of the running battle between the two biggest parties in the coalition—seems set to continue.

The outcome reinforces the suspicion that the decision to leave everything as it was is a sign of a tacit understanding that the general elections may take place at a more convenient date next spring, after emergency action on the economy.

Sig Spadolini, in a statement after presenting the new Government to President Sandro Pertini, would have none of this, however.

The cabinet was due to meet last night, he said, and it would probably go before Parliament next Monday for a vote of confidence. It was right, he said, that the ministers who had adopted important economic measures, should see their work through to the end.

Refuting a questioner's declaration that the crisis had been a waste of time, the Prime Minister asserted that much of value had been achieved—most notably the undertaking to set up an all-party commission of both houses of Parliament to examine ways of improving the workings of Italy's institutions.

Anyone returning from his August holiday would be hard put to guess that a crisis, resolved in the short space of 16 days, had happened at all. The faces are the same, while the key economic programme remains virtually indistinguishable from that of the previous government.

The novelty is the undertaking to streamline the political system, not only with the help of the new commission, but by changing Parliamentary procedure to make secret vote ambushes—like that of August 4 which brought down Sig

Spadolini's first government—less frequent.

That ambush concerned oil industry legislation, which was considered vital by the Socialists and was thrown out of Parliament when a group of Christian Democrat deputies ignored the consensus during the secret vote.

Pulling his party's seven deputies out of the Cabinet, Sig Bettino Craxi, the Socialist leader, declared the country "ungovernable in these conditions."

While the procedure changes are potentially important, there is no guarantee they can be pushed through before a new crisis occurs.

Talk of a cohesive "third force" of small centrist parties, to counter the long dominant Christian Democrats and Communists in the past months at best. No one has been more critical of the Socialist's decision to provoke the crisis, than their apparent natural allies, the Social Democrats.

Faced with the prospect of complete isolation, Sig Bettino Craxi, the Socialist leader, abruptly changed tack and endorsed a government which seems to be precisely the variety of "washed-up soap" his lieutenants had earlier dismissed as unacceptable.

Spadolini's first government—less frequent.

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BL lay offs prompt fears of more job cuts for component makers

BY JOHN GRIFFITHS

UK CAR component manufacturers fear a further round of contraction in the industry following BL's decision to lay off 7,000 workers and suspend output of its Metro and Mini at Longbridge for two weeks next month.

Component suppliers yesterday were hastily reviewing manufacturing schedules in the wake of the BL announcement. Dunlop has already announced that it is laying off 3,000 workers at Fort Dunlop, Birmingham because of the loss of the BL move, which appears to have taken most suppliers by surprise.

The car makers' problems are not confined to BL. Talbot is experiencing more prolonged difficulties than expected with its £150m a year car kits contract with Iran.

Despite the setting up of a task force by Vauxhall at the start of this year to investigate ways of re-sourcing the imported content of its cars, only about £4m worth of extra business has come the way of UK suppliers as a result.

The highly successful Cavalier model remains almost an entirely imported vehicle, with UK content confined to paint, trim and a few other components.

But it is the warning from BL that next year it may have to increase the proportion of its £600m yearly component purchases abroad from 5 per cent to 30 per cent that is worrying UK suppliers.

If this turns out to be the case, the components industry fears that substantially more jobs may have to go on top of the 150,000 lost over the past two years, which have reduced total employment in the industry by a third to 300,000.

Lucas Industries, which makes most Metro and Mini electrical components, said yesterday it was still assessing the effects of BL's decision.

GKN, which supplies forgings and transmission parts, and Ferrodio, the brake and clutch supply, are to make decisions on possible lay-offs later this week.

Automotive Products, another supplier, is already on a 31-day week and operating a voluntary redundancy programme.

In the past month, AP has called for 800 redundancies, while Lucas CAV has shut one plant and is to cut jobs at another, reducing employment by a total of 950.

General Motors is also closing two plants, losing over 900 jobs.

Stockbrokers, Philips, and Drew are forecasting that Armstrong Equipment and Jones Woodhead are just two of a number of suppliers who may be obliged to undertake further retrenchment in the coming weeks.

Underlying all the problems is the European-wide recession in new car markets. Sales in the UK were 13 per cent down from 1979 levels last year: 11 per cent in West Germany and 7 per cent in France. A further decline is expected this year.

TUC membership falls sharply

BY PHILIP BASSETT, LABOUR CORRESPONDENT

AFFILIATED membership of the Trades Union Congress may have fallen by up to 600,000 last year because of the continuing impact of unemployment. But the TUC has nevertheless recorded a financial surplus for 1981 of about £530,000.

The TUC's annual report to next month's Brighton Congress, published yesterday, suggests that membership could have been as low as about 11m by the end of last year.

Full membership returns for the 108 unions in the TUC will not be available until congress meets, but the preliminary figures in the annual report are usually reliable indicators.

The TUC estimates that its membership fell for the calendar year 1981 is roughly the same as for the previous year: between 500,000 and 600,000.

The annual report says: "This fall is crucially linked to the rise in unemployment, which has risen to appalling and unprecedented heights as a direct consequence of the Government's misguided economic policies."

It says the reduction has already affected unions' finances badly, and the continuing rise in unemployment is a threat to the TUC's financial position.

The TUC raised its individual affiliation fees per union member from 40p to 47p in January 1981, generating addi-

national income throughout the year of £1,424,000 after allowing for the fall in membership and the repayment to unions of £150,000 for over-affiliation in 1980.

This has produced a surplus for 1981 of £530,000, compared to a loss the previous year of £420,500. This has allowed the TUC to restore its reserves to about £585,000.

TUC analysts expect 1982 to produce a further small surplus of income over expenditure of about £312,000, bringing reserves to about £897,000 by the end of 1982.

The TUC report says administrative expenditure rose by

Mexico's bank loan hinges on IMF deal

By Peter Montagnon, Euromarkets Correspondent

LEADING international bankers have made it clear that their proposed \$500m to \$1bn (£285m-£573m) loan to help Mexico through its current liquidity crisis depends on that country achieving a credit agreement with the International Monetary Fund.

This emerged as Sr Jesus Silva Herzog, the Mexican Finance Minister, indicated that the government would like to raise still more money from commercial banks during the three-month moratorium on debt repayments agreed on Friday in New York.

"It is the government's intention to continue to maintain a presence in the marketplace," he said. "To that end, we propose to offer a full range of maturities up to five years. Applicable rates for each maturity will be established at the outset, and adjusted from time to time to reflect changes in market conditions."

But commercial bankers pointed out that hopes for money being sought beyond the \$500m to \$1bn credit are probably unrealistic for the time being.

The dependence of that credit on Mexico's completion of an agreement with the IMF to borrow \$4.5bn during the next three years already means that the international bankers' funds cannot become available before late September at the earliest.

The advisory committee of 12 banks, which is to organise the loan, has also said that it will be conditional on a thorough review of Mexico's financial needs, and on formal agreement by all creditor banks to the moratorium on repayments of principal, which total about \$10bn for the three months.

The moratorium was agreed in principle on Friday by 115 of the leading commercial bank creditors. Several hundred other banks have yet to give formal assent. Some bankers feared yesterday that it would not come automatically from some smaller lenders, particularly regional U.S. banks.

Continued on Back Page

ICL wins £20m contract for PAYE system

BY GUY DE JONQUIERES

ICL, Britain's largest computer manufacturer, has won a contract worth more than £20m to supply almost 18,000 DRS 20 desktop terminals for the computerisation of the Inland Revenue's Pay As You Earn operation.

The order for the terminals, to be installed in some 600 regional tax offices during the next five years, is the largest of its kind ever placed by the British Government.

It is also the first major central Government contract awarded in the UK since the start of last year, when public purchase of computer equipment was subjected to EEC and General Agreement on Tariffs and Trade rules intended to prevent Governments from discriminating in favour of national suppliers.

Shortly before the rules took effect, ICL won on a single tender basis a £50m order to supply 44 large "mainframe" computers which will form the heart of the new system. In bidding for the latest order, it faced competition from Ferranti and Plessey, both also British companies.

Though precise details of the contract have not been disclosed, the Inland Revenue said that ICL's bid was "significantly" lower than those of the two other bidders.

According to computer industry sources, ICL's bid is at a deep discount on the prices which it normally charges commercial customers for the same products, albeit supplied in smaller quantities.

As well as the DRS 20 terminals, the £20m contract includes the supply of an unspecified number of electronic printers, associated equipment and 10 years' free maintenance. The DRS 20 sells through dealers at present for about £2,500.

ICL said yesterday, however, that its policy was to undertake only profitable business. The level of its bid reflected both the economics of scale available on the order and the expectation of further declines in the costs of microelectronic components.

The DRS 20 terminal, which was launched last October, is a key product in ICL's new strategy to attack the fast-growing market for office automation and communications equipment.

The Inland Revenue's initial announcement that it was seeking to purchase terminals attracted responses from about 40 suppliers, later reduced to a shortlist of four. But the fourth company, Olivetti of Italy, which was the only non-British supplier on the shortlist, withdrew earlier this year.

ICL, which strongly criticised the Government's decision to award ICL the order for the 44 computers on a single tender basis, did not bid for the terminal contract.

Continued on Back Page

UK is world's strongest video recorder market

BY JASON CRISP

BRITAIN is the strongest market in the world for sales of video cassette recorders. In spite of its economic plight and the relatively small size of the market, demand for video recorders in the UK exceeds that in the U.S. and has nearly caught up with Japan, which remains the world's largest market.

White UK sales continue to boom the growth in demand in the rest of the world has slowed and stocks have been rising rapidly, particularly in the U.S. In the UK deliveries to the trade rose by 13.5 per cent in the first six months compared with the same period of 1981 and retailers such as Comet, Rumbelows and Currys all report strong consumer demand.

Over 11 per cent of British homes now have a VCR, a significantly higher proportion than in the U.S. and similar to Japan.

Among the reasons cited for the swift growth in the UK market are:

- The UK's widespread rental system, which accounts for about 65 per cent of domestic recorders
- The fact that compared with Japan and the U.S., Britain has fewer TV channels which broadcast for shorter periods.
- The high number of outlets for the sale of pre-recorded material in the UK.
- The widespread belief that the high quality of British TV makes it more attractive to record.
- But Japanese manufacturers, which make 80 per cent of the world's VCRs, have had to cut ambitious programmes to expand capacity. From 1976 to 1981 Japanese production doubled each year. Production in the first six months of 1982

Continued on Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

	RISES		FALLS
Trans. Type '96-01	1214 + 12	North Kalgulil	275 - 17
Aeroplanes & Gen.	250 + 20	Stiffontain	725 - 33
Akroyd & Smithers	283 + 10	Unisel	639 + 27
Barton	30 + 2 1/2	Whim Creek	21 + 5
Borthwick (T.)	11 + 2		
Currys	190 + 6	AGE Research	192 - 5
Hadfield	295 + 15	Bowater	144 - 6
UK Electric	222 + 7	Lucas Inds.	157 - 9
Alcoa Exploration	153 + 4	MIDLAND BANK	302 - 6
Alcoa Minerals	478 + 8	Miles 33	145 - 10
Alcoa Services	124 + 1	Rugby Prtind Cemnt	85 - 7
Alcoa Minerals	270 + 15	Union Discount	520 - 7
Alcoa Minerals	270 + 15	Utd. Electronic	161 - 3 1/2
Alcoa Minerals	270 + 15	LASMO	340 - 8

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EUROPEAN NEWS

Last bank falls into line over AEG loan

BY KEVIN DONE IN FRANKFURT AND JONATHAN CARR IN BONN

THE DC BANK (Deutsche Genossenschaftsbank), the central institution of the co-operative banks in West Germany...

officials have revealed strong reservations in the provinces and serious problems in deciding how the burden should be shared...

The bank has come under pressure from small and medium-sized companies...

As a further part of AEG's restructuring plans, the group is planning to close one of its production sites in West Berlin...

Liberal fortunes fading in Hesse

ANOTHER WARNING that the liberal Free Democrat Party (FDP) may disappear as a parliamentary force...

The Emnid opinion research institute's survey indicates that only 4 per cent of voters will support the FDP...

Mark Webster visits Schweinfurt, in West Germany, the bearings capital of Europe

Small town arena for giant encounter

THE SCHMIDTS have a problem. On the surface, their lives have been an unfruitful idyll of 74 years joint service...



ABOVE: The black days of 1943 when allied bombing reduced much of the town to ruins. BELOW: Prosperous Schweinfurt today through which passes 9 per cent of the world's bearings.

Rudolf Schmidt is an influential member of the workers council at the Swedish-based SKF plant...

Schweinfurters point out that the town is actually famous for two things. Since the first is that it produced two world-class footballers...

More than 16,000 people are employed by the two bearings giants which account for more than two thirds of all West Germany's bearing production...

Day or night, it is impossible to forget that Schweinfurt lives or dies because of its bearings industry.



interrupted only by the Fichtel and Sachs car components manufacturing plant and the tall chimneys of a nuclear power station.

Having such a high concentration of bearings manufacturing in a town of only 52,000 inhabitants has inevitably caused problems...

ture of workers from the other. When SKF decided to hold an open day as part of its policy of bringing the family into the workplace...

In order to survive in the small town, the companies have had to find a modus vivendi. These days an unwritten policy of no poaching by one company from the other...

Four owners

SKF tries hard to play down its image of a multinational with plants in five European countries as well as interests overseas...

At FAG, there is no problem with identification since the four owners of the company are all from one town. It used to be said that a handshake from one of the Schafer family was worth a month's pay for a FAG worker...

The Second World War did two things to Schweinfurt. It brought the unwelcome attention of allied bombers which flattened two thirds of the town during 15 bombing raids...

From a strictly economic point of view we shouldn't be here at all, said Mr Schafer. Our raw materials have to be brought in from our main customers are quite a way from here...

Labour has been making a come-back recently as the economy moves deeper into recession. But it, too, has spoken out in support of economic and financial restraint...

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Iceland tries to halt economic decline

By Our Reykjavik Correspondent

POOR CATCHES by Iceland's vital fishing industry, coupled with declining export prices and a sharp increase in imports...

The devaluation part of a package of economic measures agreed over the weekend, is intended to help restore profitability to the export sector...

The Government has also decided to curb the wage-price spiral by cutting by half the 16.18 per cent pay increase due to be paid in December to compensate for inflation.

The blue-collar unions have already agreed to a 2.9 per cent reduction in the price compensation pay due at the start of next month...

Excise tax on a wide range of products is being increased by 1.6 per cent over the next six months to help raise revenue...

Imports of fishing vessels will be stopped for the next two years since the fleet is already too large. Special measures will be taken to support the industry...

By the Government's reckoning these measures will help restore the balance of payments and contribute to holding inflation at its current 40-50 per cent annual rate.

CRISIS IN GREEK PRESS

Only on Sunday for Athens daily newspaper

BY VICTOR WALKER IN ATHENS

A CRISIS in the Greek press that had been threatening for several months came to a head last weekend when the decision of the Athens daily newspaper To Vima to suspend publication as a daily and appear in future only once a week on Sundays...

Coming a few weeks after the closure of the extreme morning right wing newspaper Eleftheros Kosmos, the disappearance of the Liberal newspaper To Vima as a daily reduces the number of Athens morning papers to four...

The blue-collar unions have already agreed to a 2.9 per cent reduction in the price compensation pay due at the start of next month...

Latest official circulation figures list To Vima as selling 44,000 copies a day. Advertising agencies say this was an average of 50,000 copies from Tuesdays to Saturdays and sales of 150,000 for its Sunday edition...

The official figures put Acropolis in first place among morning newspapers with a circulation of 70,000, followed by Rizospastis with 46,000 and To Vima. Kathimerini holds fourth place with a listed 20,000 circulation and Avghi comes fifth with 10,000.

In its comments on the To Vima withdrawal, Acropolis said it too was facing acute problems but was not inclined to lower the flag.

Dutch union defends pay indexation

By Walter Ellis in Amsterdam

A GOVERNMENT appeal to Dutch employers and workers to abandon wage-price indexation has come under fire from the FNV, the largest union federation in the Netherlands.

It said that price compensation—as the system is known in the Netherlands—had to remain. “It is one of the workers' certainties”, a spokesman said, “and we are not prepared to discuss it.”

Mr Dries van Agt, the outgoing Prime Minister, said on Saturday that the existing system, whereby wages are linked directly to price rises, could not be allowed to continue. It would best be dropped voluntarily by all concerned.

The Dutch general election is less than three weeks away, and price compensation is rapidly becoming one of the key campaign issues. The Christian Democrats, led by Mr van Agt, are more or less committed to ending indexation. The Liberals, with whom they are likely to form the next Government, would like to see a return to free collective bargaining...

Democrats 66, minority partners in the interim Government, have yet to make up their minds but appear to favour lowering taxes in return for breaking the wage-price link...

The Labour Party, however, finds itself under strong union pressure to withstand any moves in this direction and is becoming isolated politically on the side of traditional workers' rights.

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Alliance Buik

announces that the following rates of interest will apply to Share and Deposit Accounts from 1st September 1982:

Table with interest rates for Ordinary Shares (7.75%), Extra Interest Shares (9.25%), High Income Term Shares (8.00% net p.a., 8.25%, 8.75% net p.a.), Regular Savings (9.50%), and Bonus Shares (10.75%).

Interest on other Share and Deposit Accounts, including previous issues of Term Shares and Extra Interest Shares, will be reduced by 7.4 per cent from 1st September 1982. SAYE, Fixed Rate Bond and Index-Linked Accounts remain unchanged.



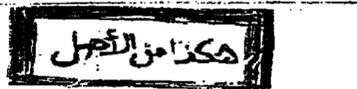
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# U.S. aims to boost grain supplies to Soviets in new deal

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. is pressing ahead with plans to increase grain sales to the Soviet Union, following Moscow's acceptance of President Ronald Reagan's offer of a one-year extension of the current agreement, which expires on September 30.

Mr John Block, the U.S. Secretary of Agriculture, said that Soviet acceptance of the offer, made on July 30, was proof that Moscow believed Mr Reagan's pledge that the U.S. would again be a "reliable supplier."

There had been some speculation that Moscow might turn down the offer, and further diversify its sources of supply, as a result of Mr Reagan's sanctions against the Siberian gas pipeline.

Administration officials made it clear at the weekend that Mr Reagan still intended to enforce sanctions "vigorously," despite the outcry they have provoked in Western Europe.

The administration was yesterday reported to be considering how to prevent a first sanctions-breaking shipment of equipment from the French subsidiary of the Dallas-based Dresser Industries Corporation,

due to be loaded onto a Soviet freighter in Le Havre this week. Officials said that various combinations of legal and diplomatic action were being examined.

On the grain front, the administration is seeking to rebuild its share of the Soviet market, which has dropped from 90 to 30 per cent following the post-Afghanistan grain embargo imposed by President Carter in January 1980. Mr Block said he would be in immediate contact with Moscow to fix a date for negotiations.

Under the current agreement, the Soviet Union must buy a minimum of 6m tonnes and may purchase up to 8m tonnes without official U.S. permission. The U.S. faced with huge unsold grain surpluses, has offered a further 15m tonnes under the current agreement, and the Soviet Union has so far bought 13.9m tonnes.

The Soviet Union is expected to buy a total of about 40m tonnes from all sources this year. Since the U.S. grain embargo, it has diversified its sources to include Canada, Australia and Argentina.

India buys U.S. wheat, Page 17

# Aluminium industry seeks early pact talks

By Richard Lambert in New York

UNION LEADERS from the aluminium industry will meet in Pittsburgh on Friday to consider a formal request from the aluminium manufacturers for early renegotiation of the current three-year labour agreement, which expires next May.

The two sides have been talking informally since April about the problems of the industry, which has been seriously squeezed in the current recession.

The main union involved is the United Steelworkers, which last month rejected the steel companies' proposals for radical changes in their labour contract. However, the problems of the aluminium industry are less fundamental than those of the steelmakers, and the union suggested yesterday that it might be "less difficult" to reach a deal with the aluminium companies.

No formal proposals have so far been made to the two unions, the United Steelworkers and the Aluminium International Union, which will consider the industry's request separately next Saturday.

The key date for the negotiators is September 6, when quarterly cost-of-living adjustments and incremental pay awards go into effect under the existing agreement in time to modify those payments.

In the past, the aluminium contract has usually been negotiated before the steel labour pact, and has sometimes set precedents which have later been followed in the steel industry.

# Richard Lambert in New York examines recently approved U.S. fiscal legislation Reaganomics put on trial by tax package

HOWEVER it is dressed up, the complicated tax package which was finally approved on Capitol Hill last week marks a major reversal of U.S. tax policy. The Economic Recovery Tax Act of 1981 proposed to cut taxes by \$750bn (\$440bn) over five years. The Tax Equity and Fiscal Responsibility Act for, as it has already been dubbed, Tefra of 1982 stands to increase them by \$215bn over a similar five-year period.

Special interest groups aside, the new Act has split the business community into those who think, like the President, that it is a necessary price to pay for a sound fiscal policy, and those who say that it represents a betrayal of everything Mr Reagan stands for. The Administration still has wide-spread backing from business, but even among its most ardent supporters its economic strategy is now on trial.

The only certain winners from Tefra are the tax lawyers and accountants. The fourth major piece of tax legislation in six years, the fine print is twice as lengthy as that in the much more radical 1981 legislation, and it will be some time before the full implications of its scores of separate provisions can be assessed. He is some of the more obvious points:

Individual taxpayers will not be able to claim such large tax deductions for medical expenses or for losses incurred by accidents or theft when they are not insured as they have in the past. The minimum tax rules have been tightened for wealthier individuals, and people will have to pay more for their cigarettes, telephone service and flight tickets.

Important new withholding rules will apply on payments of interest, dividends, pensions and annuities. The idea is to catch those investors who cheat when it comes to declaring their investment income, and to improve the Treasury's cash flow by bringing forward the moment at which tax becomes payable.

Withholding is to be at a flat rate of 10 per cent, and there are a number of exceptions— for instance, covering small investors and foreign taxpayers who are already subject to withholding rules. The information reporting requirements have been changed considerably to

	1983	1984	1985	1986	1987
Individual income tax provisions	272	3,113	3,106	3,336	3,556
Business tax provisions	5,422	13,292	16,497	28,042	40,116
Compliance provisions	3,365	8,869	8,660	10,174	11,217
Pension provisions	194	780	870	970	1,058
Life insurance and annuities	1,942	2,155	2,920	3,138	3,370
Employment tax provisions	1,904	3,083	3,577	2,853	2,572
Excise tax provisions	2,798	4,009	4,702	2,054	1,472
Miscellaneous	-38	-37	-34	-32	-30
Total tax provisions	15,859	35,264	40,298	50,535	63,331
Gain resulting from extra enforcement personnel	2,100	2,400	2,400	1,300	600
Grand total	17,959	37,664	42,698	51,835	63,931

cope with this new measure, and some nasty-looking penalties have been added to hit companies that fail to comply.

To reduce the scope for failing to report interest income, severe restrictions have been imposed on the sale of non-registered "bearer" obligations. This will not prevent companies from issuing bearer bonds for sale outside the U.S. But, according to accountants Touche Ross, if there is a chance that the bond could be acquired by an expatriate it will have to carry a warning that there could be adverse tax consequences for the U.S. citizen when the bond is sold.

Other changes which will affect investors include measures to prevent the creation of artificial tax losses by stripping coupons from bonds and selling them separately, and to change the tax treatment of original issue discount bonds, in a way that may make them rather less attractive to the issuer.

The Act has not incorporated proposals for reducing from 12 months to six the holding period for long-term capital gains, but Touche Ross thinks there is a good chance that this could still come to pass in a rather different form, later this year.

Sweeping changes have been made to various key parts of last year's Economic Recovery Tax Act. Legislation, which would have permitted specific depreciation in 1985 and 1986, has been repealed. When it comes to working out their depreciation provisions, companies will have to reduce the basis of their assets to allow for various investment tax credits which they might be receiving. Together these changes will reduce company cash flow in 1987 by roughly \$24bn from what it would have been under the old rules—much the biggest

# Call for reforms in Venezuelan oil policy

BY KIM FUAD IN CARACAS

FORMER VENEZUELAN energy minister, Sr Valentin Hernandez, who oversaw the nationalisation of the country's oil industry in 1976 has called for a reform of the South American producer's petroleum policies in a sharp attack on the present administration.

Breaking 31 years of silence since he left the energy ministry, Sr Hernandez said in an interview in the economic weekly Numero that the Energy Ministry's eroding power should be reassessed over the state oil monopoly, Petroleos de Venezuela, in oil affairs.

At the same time, he was critical of increasing state oil industry production costs, the role of private enterprise in the oil industry and what he termed unnecessarily large investments in developing the country's huge heavy oil potential in the Orinoco oil belt.

The former minister's views are believed to reflect leading opposition party thinking in oil matters since Sr Hernandez is an adviser to top-level leaders in Accion Democratica.

Sr Hernandez expressed worries over the state concern's increasingly larger role in determining Venezuelan oil policies and particularly in handling Venezuela's oil affairs in the Organisation of Petroleum Exporting Countries. He insisted that the Energy Ministry should formulate

policy while the state oil monopoly limited its activities to executing it.

He also called for stricter controls over growth in production costs, which he said have outstripped the general inflation policies in Venezuela. He suggested that an internal comptroller be established to keep an eye on costs, which grew to \$5.5bn last year, when Venezuela produced less than 2.2m barrels a day (b/d).

Sr Hernandez also criticised the present Venezuelan administration's policy of promoting a larger role for national goods and service companies within the oil industry. He said that unless controls were established, Venezuelan companies could simply become intermediaries for international firms.

Venezuela's current plans to invest over \$6bn in initial development of the Orinoco oil belt's estimated one trillion (million million) barrels of heavy and extra-heavy oil were also criticised by the former minister.

Rather than undertake such massive investments, aimed at producing 225,000 b/d of Orinoco oil by 1988, Venezuela should do small-scale research work and later seek association with foreign consumers to bring large volumes of Orinoco oil onstream, Sr Hernandez said.

# Church plea on Salvador violence

MONSIGNOR Arturo Rivera y Damas, the leader of the Roman Catholic Church in El Salvador has called on the rightist government to ban paramilitary groups accused of killing innocent people. AP reports from San Salvador.

Politicians and newspapers recently have been demanding that the Civil Defence Corps, a paramilitary organisation of rural guards blamed for the murder of civilians, be disbanded or incorporated into the regular armed forces.

# Peru guerrilla attack

SIX civil guards and 20 guerrillas died during a five-hour attack on Saturday against a civil guard station in a remote Andean village, AP reports from Peru.

A police spokesman in Ayacucho said three more guards were critically injured. He added that the guerrillas fled the scene, carrying some of their wounded.

The Government declared an indefinite state of emergency at the weekend in the provinces of Lima and Callao to give the police a free hand to wipe out terrorist activity.

# Canada's banks face further retail closures

CANADA'S five largest banks have closed 117 retail branches across the country since November 1981 and consumers should be prepared to accept the closing of at least another 20 before the current fiscal year ends on October 31, according to a Canadian Bankers' Association survey made public by the banks on Monday. Victor Mackie reports from Ottawa.

Mr Dale Parker, executive and vice-president and general manager of domestic banking at the Bank of Montreal, warned that the public could expect some inconvenience.

# Trudeau seeks premiers' backing on programme

BY VICTOR MACKIE IN OTTAWA

THE CANADIAN Government's new anti-inflation campaign, intended to avoid explicit wage and price controls will be on the line this week when the 10 premiers meet in Halifax.

Mr Pierre Trudeau, the Prime Minister, considers the provinces' agreement to establish a programme similar to his own vital if the campaign is to succeed and mandatory controls avoided.

The Prime Minister has asked the premiers to back a plan to increase the public service wage increases to 6 and 5 per cent over the next two years.

● Impose similar controls on provincially regulated prices.

● Join Ottawa in using the awarding of Government contracts and subsidies to persuade the private sector to adopt the programme.

Ottawa is particularly worried about the position Ontario's premier, Mr Bill Davis, will take. His province is the largest and the centre of much of Canada's manufacturing industry.

Mr Davis will announce his plan today at the three-day conference. He has been hinting that he may propose full voluntary wage restraints on all sectors.

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OVERSEAS NEWS

LEBANON: THE AFTERMATH

**Israelis anxious over shift in U.S. attitude**

By Patrick Cockburn in Jerusalem

THE PROSPECT of a new U.S. peace initiative in the Middle East, including negotiations on more autonomy for the Palestinians on the West Bank and in the Gaza Strip, is causing anxiety in Jerusalem.

Over the weekend both Mr George Shultz, the U.S. Secretary of State, and Mr Casper Weinberger, the U.S. Defence Secretary, said that U.S. was putting together a scheme for the revival of Arab-Israeli negotiations. Although the plan has not been finalised, its centre-piece is likely to be proposals for a broad measure of autonomy for the Palestinians in the territories administered by Israel since they were captured in 1967.

Mr Menahem Begin, Israel's Prime Minister, has stressed that his government is prepared only to discuss autonomy

within the framework of the Camp David accord and the Egyptian-Israeli peace treaty, as interpreted by Israel.

Israeli unease at the prospect of an American initiative has been increased by the replacement of Mr Alexander Haig as Secretary of State by Mr Shultz, and by the Reagan Administration's increasing perception that it needs a new and stronger policy towards the Middle East. This will inevitably be less favourable towards Israel.

This shift in U.S. attitudes followed Mr Reagan's expressed outrage at the way Israel's final 11-hour bombing of Beirut could hinder or even halt the evacuation of the Palestinian fighters.

The refusal of Mr Begin and his Cabinet to modify their stance on the West Bank is likely to increase tension

between Washington and Israel. An official in Jerusalem said that the Government rejected Mr Weinberger's suggestion that they had no right to blockade Beirut harbour with missile boats on Sunday, preventing a ship carrying PLO members and 18 of their Jeeps from leaving.

Israel yesterday reported renewed clashes with Palestinian guerrillas in eastern Lebanon, where tension was rising between Israeli and Syrian forces.

A military spokesman said the Palestinians fired bazooka rockets during the night at an Israeli position north of Mansura in the Bekaa valley. The fire was returned.

A second group of guerrillas fired several mortar shells at another position in the same area. The Israelis suffered no casualties.

**Indonesia likely to cut crude oil prices**

By Richard Johns

INDONESIA is on the verge of cutting prices for two of its main varieties of crude oil in response to pressure from Japanese purchasers, according to reports from Jakarta.

It has already extended credit terms from 30 days to 90 days in a bid to maintain slipping exports—giving an effective discount of about \$1 per barrel.

The cuts now being contemplated are said to be 15-20 cents a barrel, for 35 degree Minas crude, off an official selling price of \$35 per barrel and \$1 off the price of its 34 degree Cianta crude, presently at \$34.

New rates are expected to come into force from the beginning of next month in what would be the first reduction in official selling rates by a member of the Organisation of Petroleum Exporting Countries (Opec) since the spring.

Saudi output from the fields of the Arabian American Oil Company, is understood to be running at 5.5m barrels a day (b/d). Some 3.7m b/d of this is accounted for by the four U.S. majors which are partners in the operation.

Our Harare Correspondent reports on recent guerrilla activity

**Fears for Zimbabwe's security**

THE KILLING of three white men dressed in an assortment of military uniforms, part of a heavily armed group apparently infiltrating south-eastern Zimbabwe from neighbouring South Africa, has considerably strengthened the credibility of Mr Robert Mugabe's frequent accusation that Pretoria is bent on destabilising his government.

The Zimbabwean Prime Minister has accused South Africa of "unprovoked, naked" aggression and said evidence was increasing all the time that South Africa planned to invade his country.

There has been no positive identification of the bodies, shown to the Press at the weekend, although security officials say the dead men may turn out to be veterans of the Rhodesian army. But even if they were "irregulars" and no direct link can be traced back to the South African Defence Force, the balance of probabilities must overwhelmingly suggest that South Africa can be their only source of refuge and resupply.

The latest clash is an ominous development for Zimbabwe's already tense security situation, with the country now apparently facing both internal and external threats.

Since the dismissal from the fragile Coalition Government of veteran nationalist Mr Joshua Nkomo last February, after arms caches were found on property belonging to his Zanu party, the Government has faced increasing armed violence.

The culprits are apparently former members of Mr Nkomo's Zipra guerrilla force who deserted from the national army after their leader was dismissed from the Cabinet. Initially they concentrated on robbing remote grocery stores and buses.

In the past two months, however, three white farmers have been killed, and in two cases the motive was not obviously robbery. The death toll resulting from such incidents has risen to at least 50, and is probably considerably higher.

A clear political motive emerged when former dissidents abducted six foreign tourists at gunpoint from a trans-Africa safari north of Bulawayo on July 23. A large-scale operation launched by 1,500 troops and police has failed to recover the hostages. A note signed "Zipra guerrillas" demanded the release of those of Mr Nkomo's aides who are held in detention in return for the safe release of the tourists.

Earlier incidents were mainly confined to western Zimbabwe's province of Matabeleland, the source of Mr Nkomo's political support. But there is evidence that the guerrillas are spreading their area of operations.

In recent months, arms and ammunition have been taken from military bases at Grand Reef, near the eastern city of Mutema, and at Murewa, north east of Harare. Shots were fired at Mr Mugabe's official residence in Harare, and three young British tourists were murdered last month in the

Inyanga mountains tourist area by unknown gunmen.

While internal violence has mounted, the country has also faced a continuing campaign of sabotage considered more likely to be externally inspired.

Last year, the office block housing Mr Mugabe's Zanu party headquarters was destroyed by a bomb placed on the top floor, and the army's main munitions dump was blown up. In July, 13 aircraft, including four new Hawks from Britain, were damaged or destroyed when sophisticated explosive devices were placed in jet intakes at the air force's biggest base, Thornhill, near Gweru.

If the intercepted incursion last week is the start of a determined drive to step up sabotage and unrest within the country it will add a new dimension to the threat to the country's security. Contact with the 12-man group, white and black, came soon after Zimbabwe's 50,000-strong army deployed units around nearly 800 miles of border with Mozambique and South Africa. Mr Emmerson Mnangagwa, the Minister of State for Security in the Prime Minister's office, said the army had been deployed to prevent incursions by the Mozambique Resistance Movement (MRM), which is conducting a military campaign against President Samora Machel's government.

Mr Mugabe said on Saturday he did not believe the gang which entered Zimbabwe were MRM members. He was convinced they were members of South African forces. "From



Robert Mugabe, accused South Africa of 'unprovoked, naked aggression'

their papers and equipment it appears they were preparing for action—probably sabotage.

Weapons found at the scene of the incident included rifles, rocket launchers, grenades, mines and mortars from Eastern bloc countries—commonly used by all guerrilla movements in Southern Africa—but Nato-type radios were abandoned by members of the gang, who fled to the south, said Mr Mugabe. Medical supplies came from South Africa and Ireland. The tins of food carried by the men had had the labels removed.

**The warlord tries conciliation**

By Stewart Dalby and Nora Boustany in Beirut

THE ELECTION of Mr Bachir Gemayel, the commander of the Right-wing Christian Phalangie Militia, to the presidency of Lebanon, brings considerable consternation to a great number of Moslems and Left-wingers.

The key question now is whether Mr Gemayel, 34, can shake off his image of being merely a warlord with some notable and unsavoury bloody incidents ascribed to him and mature into the kind of conciliatory President so crucial now if Lebanon is to avoid sliding back into its traditional divisive politics, civil war, and possibly partition.

A Christian Maronite from Bikfaya, Mount Lebanon, Mr Gemayel was the youngest of six children. He started regular military training at the age of 11 when he joined the Katabeh Phalangie Militia. His father, Pierre, originally a pharmacist, founded the Katabeh Party after attending the 1936 Olympics in Germany.

He formed a group of athletes and a paramilitary group to emulate the discipline he had admired among the Nazis.

In April, 1975, at the age of 27, Mr Gemayel closed his law office in Hamra—the fashionable area of Moslem-dominated

West Beirut—and has not returned since.

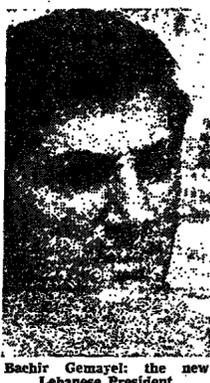
He trained to be a lawyer at the Jesuit St Joseph University. He fought in the 1975-76 civil war battles in Beirut and in the mountains against Palestinians and their fellow Moslem Left-wing allies as one of the deputies of Mr William Hawi, then commander of the Phalangie Militia.

When Mr Hawi was killed, Mr Gemayel was appointed as commander in chief of the Katabeh Military Council. He later formed the "Lebanese Forces", grouping all Christian Lebanese militias with the Phalangie Party as its backbone.

Opinion about Mr Gemayel is very divided and not just along Moslem and Christian lines. There are those who are suspicious of his close association and—on occasion—co-operation with the Israelis.

Others feel that Mr Gemayel has changed. They argue that he has matured and that he genuinely wants to forge a rapprochement with Moslems.

What he has in his favour is the war weariness of most Lebanese. This cuts across religious divisions and there does seem to be a desire for someone strong, even if he is



Bachir Gemayel, the new Lebanese President

politically flawed. Traditionally, and by constitution, the President of Lebanon must be a Christian.

The problem with Mr Gemayel is that he will, until he acts to dispel his image, be judged on his allegedly bloody past rather than his possible actions in the future.

**Iraq threatens to destroy Kharg terminal**

IRAQ SAID it will destroy the Iranian oil terminal on Kharg Island in the Gulf if Iran continues to shell Iraqi towns and refuses to make peace. Reuter reports from Beirut.

A report quoted by the official Iraqi news agency Ina said the total destruction of Iraq's main outlet for oil exports was the second stage of an Iraqi warning to Iran.

The first stage was to bomb an oil platform and to bomb any foreign ship that tried to dock there, Ina said.

Terry Povey adds: Opposition Mojahedin guerrillas claimed yesterday to have exploded bombs inside the Lavizan barracks in Tehran, destroying radio-jamming equipment used by the Government to block their clandestine radio broadcasts.

**Sobhuza's successor faces a troubled land**

By Bernard Simon in Johannesburg

THE TINY Kingdom of Swaziland, which lies landlocked between South Africa and Mozambique, faces a testing time following the death at the weekend of King Sobhuza II, the world's longest-reigning monarch.

There is no indication yet as to who will succeed to the Swazi throne, or how the succession will be made.

The new monarch will take the throne at a difficult time, both politically and economically for Swaziland, the second smallest country in Africa. In particular he will find it difficult to match the stature and respect which Sobhuza enjoyed, from his 0.6m subjects.

King Sobhuza, who was 83, reigned for 60 years, ascending to the throne in 1921 after two decades of rule by a regent. The monarch is said to have fathered several hundred children from his 100-odd wives.

Little is known by anyone outside Swaziland's tribal system how the new monarch will be chosen. According to one report, Sobhuza nominated his successor several years ago. Until the new ruler is named, the Queen Mother—the most senior of King Sobhuza's wives—will act as regent.

The Swazi monarch has wide constitutional powers, including the appointment of cabinet ministers. Although Swaziland does have a Western-style form of government, this exists in

parallel with a traditional tribal system which can generally enforce its wishes on the modern sector.

In the long-term, the monarch will be faced with the problems of most other developing countries—rapid urbanisation, high unemployment and some distrust, especially among young people, of the old order.

Swaziland's economy has suffered heavily from the drop in the world price of sugar, which accounts for almost half total export earnings.

The overall growth rate is expected to be no more than 1 per cent this year, compared to projections of 2-3 per cent increase less than a year ago.

On the political side, the new ruler will inherit the contro-

very over South Africa's decision to cede the Kangwane tribal "homeland" and part of KwaZulu to Swaziland.

Sobhuza's successor is unlikely to deviate from his policy that all Swazis should be united under one monarch. The new ruler will have to continue Sobhuza's delicate balancing act between Swaziland's position as a black-ruled country within the Organisation of African Unity and its close dependence on South Africa.

Swaziland allows the militant black nationalist movement, the African National Congress, to maintain a semi-official presence on its territory, but at the same time turns a blind eye to an extensive South African intelligence network.

WORLD TRADE NEWS

**Tehran asks Italians to complete Bandar Abbas port project**

By Terry Povey

IRAN HAS asked an Italian consortium to complete construction of the major Bandar Abbas port project on its southern Gulf coast. Consultants involved in the project say that its total cost could well rise to over \$1,500m (\$882m).

Italy's state-owned engineering company Condotte D'Aqua, which heads the Italconstruct consortium, has accepted the principle of the request from Iran's Ports and Shipping Organisation (PSO) and is currently drawing up a detailed programme for the work to be completed over the next two to three years.

Begun in 1975 as an \$800m turnkey project, Bandar Abbas's new port was the subject of lengthy negotiations between Italconstruct and the Iranian authorities for much of last year. An agreement in August 1981 saw the project scaled down to 75 per cent of its design size and a 13-month deadline set for completion.

Iran's PSO has apparently been convinced that Bandar Abbas, situated at the Straits of Hormuz at the mouth of the Gulf and well outside the range of Iraqi MIG fighters in the war with Iraq, will be central to the country's longer-term importing needs.

A connection joining the port to the country's rail network is planned, as is the upgrading of local roads.

Bandar Abbas is the base on which rests a substantial Iranian involvement in the post-revolution Iran. Italy has the largest expatriate community in the country of any Western state, at 2,000, more than double the figure for West Germany and Japan, the next largest.

According to recent figures, there were less than 25 UK citizens resident in Iran, although businessmen make frequent visits.

Overseeing the project for the PSO are the Dutch consulting engineers and architects Haskoning BV, who work through Holland's umbrella overseas engineering group Nedeco.

Nedeco (Iran) is building its staff up to about 70, of whom the majority—some 40 to 45—will be Iranians, for the expanded project.

Among the Nedeco expatriate staff will be a number of Britons as Haskoning earlier this year hired the Epsom-mouth-based Grove Personnel company to "head-hunt" some staff for it in the UK.

With a one year \$1m-plus contract Grove have already found seven recruits for Haskoning. These are expected to leave for Iran within the next two weeks.

Grove are hopeful that the 900 replies they received for the initial seven posts offered in Iran is indicative of a willingness of UK engineers, quantity surveyors, project managers and others to still work in Iran despite the post-revolution turmoil.

These Britons will join the rest of the Nedeco staff in Tehran or at the site. Alongside them will be some 500 Italians working for Italconstructors and at least 3,000 locally-hired labourers.

With work on the project still continuing the major gear-up operation will not be taking place until Italconstruct has completed the revised work schedules. This is expected to be within the next two months.

During this time, the Italian companies are clearly hoping that all payments for work already done will be brought up to date and that the PSO will use this opportunity to restore past difficulties.

**New Delhi takes steps to boost China ties**

By D. P. Kumar in New Delhi

INDIA is taking steps to expand bilateral trade with China, while awaiting a positive response to a suggestion that the two countries come to an understanding to avoid underselling of several items in the foreign market.

India is facing strong competition from China in items like tea, furniture, textiles, sports goods, knitwear, woollens and light engineering items.

According to officials, India suggested to China during the visit in May of Mr Wang Zhid, Deputy Chief of Bureau, Ministry of Foreign Economic Relations and Trade, that to ensure reasonable foreign exchange earnings for both the countries, the two should agree not to sell specific agreed items below a certain price.

In 1979-80, figures for which are now available, the total value of exports from India to China was \$205.5m (£12.6m), while imports from China in the same period totalled Rs 189.1m.

India bought silk, chemicals, zinc, spices, textile yarn and petroleum products from China, which imported cotton, iron and steel, sugar, honey and iron ore, and other items in return.

Bilateral trade with China was resumed in June 1977, a year after the exchange of ambassadors between the two countries.

Jamaica's partners are levelling accusations of import cuts, Canute James reports

**Trade war brews up in the Caribbean**

A TRADE war is brewing between the larger members of the Caribbean Economic Community.

The quarrel pits Barbados and Trinidad against Jamaica. The former claim that Jamaica has been less than fair in its regional trade. Jamaica argues that it has been honouring the treaty under which the 12 English-speaking countries in the region formed their accord nine years ago.

Trade between community members—which have a population of 5.5m between them—has grown from \$235m (£139m) in 1973 to an estimated \$1.1bn last year.

Now, say Trinidad and Barbados, Jamaica is reducing the level of imports from her community colleagues. The Jamaican government has been issuing fewer import licences for her neighbours, they claim, while increasing the volume of imports from third countries.

This, say exporters in these two countries, will shift regional trade heavily to Jamaica's favour, to the detriment of its partners.

Barbadian manufacturers have been threatening to retaliate by cancelling orders for imports from Jamaica. Manufacturers in Trinidad and Tobago have been threatening to do the same, accusing Jamaica of protectionist policies.

The traders' concerns have been heightened by the fact that

with 2.2m people, Jamaica is the community's largest single market.

These complaints have been supported by Jamaican businessmen who have been accusing the government of not allowing them enough import licences, and access to scarce foreign funds, to import raw materials for local factories.

All this is not true, claims the Jamaican government, and is the result of "misinterpretations and misunderstandings." Mr Douglas Vaz, Industry and Commerce Minister, says that in the first six months of this year the government issued licences valued at \$16.2m for imports from Barbados. This compares favourably with import licences valued at \$10.2m last year, and \$6m in 1980.

In the case of Trinidad, the Minister says, imports for 1980 were \$43m, for last year \$66m, and for the first six months of this year, licences valued at \$27m had been approved.

The importance of the argument brought Mr Tom Adams, the Prime Minister of Barbados, to Jamaica last month to discuss it with Mr Edward Seaga, his counterpart.

Mr Adams said at the end of his visit that he was pleased at the efforts Jamaica was making to deal with the problem. Mr Seaga is understood to have told Mr Adams that because of this island's chronic shortage of hard currency, not much more could be expected by eastern



Caribbean exporters.

Trinidad and Barbados have no such problems in their trading relations. A recent Barbadian mission to Trinidad ended with hopes of doubling trade volume to about \$50m a month.

Jamaica has no problem selling to its community colleagues. Exports to the other members of the group, says Mr Vaz, totalled \$30m in May. If the importers in the other countries do not carry out their threat of cancelling orders—and they are not expected to—this will increase.

Ironically, the issue has blown up after the community took two steps to streamline regional

trade. The first allows goods traded between members of the community preferential access if local added value is at least 50 per cent in the case of the four larger members—Jamaica, Guyana, Barbados, and Trinidad—and Tobago—and 40 per cent in the case of the other eight—Antigua, Belize, Dominica, Grenada, Montserrat, St Kitts Nevis, St Lucia, and St Vincent.

The second effort was the improvement of a multilateral clearing facility established four years ago to streamline payments for regional trade. The credit limit was recently moved to \$100m.

The complaints about unfair trading will be a key item on

the agenda when the community's political leaders meet here in October. By then, they will have to set about repairing the damage, and shoring up confidence among the region's traders on the basis that the pursuit of the objective of widening trade is still worthwhile.

The improvement of regional trade relations was a major aim behind establishing the community in the first place; indeed its predecessor was the Caribbean Free Trade Association. Another aim of the community was to increase co-operation in education, health, finance and agriculture.

But the element of trade has remained paramount. The community's treaty says one of its objectives was "the strengthening, co-ordination and regulation of economic and trade relations among member-states in order to promote their accelerated, harmonious and balanced development."

The trade which has developed in the region is based on the exchange of a range of light manufactured goods, food and consumer durables.

The political leaders will find it hard to argue sensibly about trade problems—while at the same time protecting their constituency's best interests—when unemployment in the region averages 18 per cent and exports worth a mere \$500,000 a year can determine the survival of a company.

**Danish group in U.S. deal**

By Hilary Barnes in Copenhagen

THE A. P. MOELLER shipping group is to sell three fast going E-type container vessels to a U.S. consortium which is to charter the vessels to the U.S. Navy.

The agreement includes an option for the sale of two further vessels of the same type, according to A. P. Moeller.

The vessels were all built at A. P. Moeller's Danish shipyard in 1979-80. They cost a total of about Dkr 750m (£53m).

THE International Airports Authority of India (IAAI) has won a contract to construct an airport in Al Ghaidi, South Yemen, at a cost of Rs 230m (£14.2m) on a turnkey basis. The contract involves construction of the main runway, taxi tracks, two aprons, buildings and a number of electrical and mechanical works. IAAI won the contract after building an airport at Rivan in South Yemen, also on a turnkey basis.

**India airports authority wins S. Yemen order**

By K. K. Sharma in New Delhi

THE EXPORT Credits Guarantee Department has guaranteed a \$90m loan which the Bankers Trust company, acting on its own behalf and for a syndicate of banks, has made available to Pertamina of Indonesia.

The loan will help finance a contract awarded to Thyssen Steel for the construction of an aromatics plant at Pulau, near Palembang, South Sumatra. When completed the plant will use domestically available naphtha to produce feedstock for Indonesia's fast expanding textile industry.

**Malaysia and Singapore aim to end rivalry**

By Wong Sulong in Kuala Lumpur

MALAYSIA AND Singapore, rivals for decades, have begun to forge a new phase of economic and political co-operation.

The event which both sides regard as a turning point was last December's visit to Singapore by Dr Mahatir Mohamad, the Malaysian Prime Minister, when many outstanding issues were resolved.

The two countries were able to enter into some meaningful agreements during Sunday's visit to Kuala Lumpur by Mr Lee Kuan Yew, the Singapore leader.

At a joint news conference, itself a significant pointer to the

**ECGD backs £90m loan to Pertamina**

By Our World Trade Staff

THE EXPORT Credits Guarantee Department has guaranteed a \$90m loan which the Bankers Trust company, acting on its own behalf and for a syndicate of banks, has made available to Pertamina of Indonesia.

The loan will help finance a contract awarded to Thyssen Steel for the construction of an aromatics plant at Pulau, near Palembang, South Sumatra. When completed the plant will use domestically available naphtha to produce feedstock for Indonesia's fast expanding textile industry.

**Marcos urges preference system for Third World**

By Our Manila Correspondent

EXPERTS of the Group of 77 began a one-week meeting yesterday which may bring up a draft declaration to firm the Third World closer to a Global System of Trade Preferences among Developing Countries.

The system is the major item being reviewed by a co-ordination committee for Economic Co-operation Among Developing Countries (ECDC), a permanent mechanism of the Group of 77.

President Ferdinand Marcos of the Philippines urged the immediate launching of the system, saying it was a measure of potentially far-reaching significance.

**President Marcos statement**

read by his Prime Minister. Mr Caesar Virata, disclosed that the Association of South-East Asian Nations (ASEAN), of which the Philippines is a member, will take a strong stand at the ministerial meeting of the General Agreement on Trade and Tariffs in Geneva in November.

Developing countries were concerned about export credits and wanted exemptions from the Organisation for Economic Co-operation and Development (OECD) consensus on credits granted for capital goods, the President's statement added.

*July 1985*

RHM pins its sales hopes on 'fasta pasta'

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

RANKS HOVIS McDOUGALL, one of the largest bread producers in Britain, is next month launching a major drive to expand its share of the pasta market in the UK.

Consumption of pasta has grown steadily over the past five years. The market now worth an estimated £84.5m is expected to double by the mid-1980s.

The attraction of such a speciality market for large food companies is spelt out by Mr Mike Herson, marketing director of RHM's Pasta Foods subsidiary. "The dry pasta market has shown a 7 per cent annual volume growth at a time when

willing to try continental cooking. Canned pasta also became firmly established as a convenient snack food helped by heavy television advertising (about £2.3m last year).

But the diversity of pasta—it can be used frozen, canned, dry and pre-packed, dehydrated, and in soups—is one of the main reasons for its growth in popularity.

The market is divided into two sectors: canned and dry pasta (uncooked but packaged pasta). Canned pasta sales are almost three times as large as for dry pasta (£23.5m for canned, and £22m for dry) and production is dominated by Heinz, with Buitoni the main importer.

It is the less developed dry pasta market, however, where RHM sees the most marked growth in the next few years. Sales are expected to grow some 7 per cent by volume and 16 per cent by value.

Dry pasta is characterised by a vast range of shapes and sizes which can be exploited, whereas the canned market has a fairly limited range of products such as spirals, rings, hoops and spaghetti.

According to the Economist Intelligence Unit, RHM's "Record" brand has the largest market share with 14 per cent of dry pasta sales in 1981, closely followed by Buitoni with 13 per cent.

The RHM attack on the market, which will be launched on September 6—includes new products, redesigned packaging, and a rationalising of its range. "Fasta Pasta" noodles, which are ready in five minutes after hot water is added, are aimed at the 50 per cent who claim never before to have purchased pasta in any dry form.

New packaging will include nutritional information as well as the "anglicising" of some product names to broaden their appeal. Thus descriptions such as caramelle are being changed in favour of the English equivalent "large shells".

Some ten slow-selling retail products and 23 catering lines are also being dropped.

PASTA CONSUMPTION IN EUROPE. Table with columns for Year (1976, 1977, 1980) and rows for Italy, France, W. Germany, Belgium, Holland, UK. Values range from 59.0 to 1.5.

Source: Economist Intelligence Unit

most of the grocery market is static in volume terms," he says.

RHM is particularly affected by sluggish demand for its mass produced bread, as well as facing stiff price competition from Associated British Foods, its main rival.

"The population of Germany and France eat five times and seven times respectively per head more pasta than the average Briton, highlighting the enormous potential of the UK market," says Mr Herson.

Fasta is the usual description for semolina pasta, a product derived from the processing of various forms of mulled wheat.

Although a staple dish for expatriate Italians, it was not until the mid-70s that pasta began to make any significant impact in the UK.

Sales of pasta increased for several reasons. Consumer tastes changed partly as a result of increased foreign travel and partly due to rising living standards, with more people

After the doldrums, a gleam of sunshine for a south coast port

SOUTHAMPTON is still nursing its bruises after last year's run of industrial disputes. But business has been improving, the labour force is working more steadily and the big south coast

the BTDB is anxious that the biggest of its 19 ports should now stay free from disruption. Major lines switched elsewhere in 1981, scared off by the constant labour upsets, but they came back as new agreements on pay, shifts and working practices were worked out.

PORTS IN BRITAIN Southampton

container port is hopeful about the future. Southampton once teemed with passengers from the big liners which sailed in and out regularly before the days of mass air travel.

Southampton once teemed with passengers from the big liners which sailed in and out regularly before the days of mass air travel. Luxury ships like the QE2, cruising again after a post-Falklands refurbishing, and the battle-scarred Canberra still use the port but containers provide the bulk of the business.

Last year, the port went from a £3.4m operating profit in 1980 to a hefty £10.4m loss. The lurch into the red, mainly due to the disputes which lasted into this year, was a severe blow to the port owner, the British Transport Docks Board.

Due to be partly privatised by the end of this financial year,

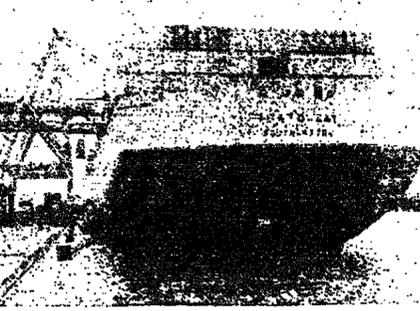
Mr Dennis Noddings, the port director, hopes matters have settled down: "I am cautiously optimistic that reasonably established conditions should give us the period of stability we are looking for." Southampton, he says, has really got to show what it can do.

The port can handle up to 400,000 container units a year, but managed only a paltry 136,000 last year, well down on the 364,000 of 1980. The first half of 1982 saw some catching up, however, to 117,000 units.

Some of the biggest ships in the world call at the deep waters of the Hampshire port, which has a "double tide" giving 17 hours of rising and high water every 24 hours. Sited in the centre of the south coast, it is handy for Continental Europe—F & O Ferries and Townsend Thoresen are large users—as well as distant ocean routes.

The QE2, over 67,000 gross tons and 963 ft long, is the

Southampton's troubles seem to be over. Andrew Fisher reports



largest vessel using the docks. But the big container ships run the Cunard liner close for size. Super-tankers also come into the harbour, but offload at Esso's Fawley terminal further down the River Test towards the sea.

Dominating the container area are huge grey cranes, their engines housed in white cabins halfway up the structures. The crane booms reach right over the ships to drop containers on the decks.

In mid-August, two of the biggest merchant ships await—Cardigan Bay and Kowloon Bay—lay next to each other on the terminal, their green and white hulls together taking up nearly 2,000 feet. A bright silver Metro-Cammell carriage for Hong Kong's mass transit system was being slowly let down onto the Kowloon Bay.

But vessels are run by Overseas Containers Ltd, which is Brit-owned and has four UK market is pumped ashore other ships using the port.

The equally large Benlifer was sailing out, one of three Ben Line container ships using Southampton. The Edinburgh company is a partner with OCL, Hapag-Lloyd of West Germany, NYK Line and Mitsui OSK Line of Japan in the Trio consortium which serves the Europe-Far East route.

Other companies and consortia using the terminal include Atlantic Container Line, of which Cunard is a member with Swedish and French lines, SEACS, grouping OCL and other European lines on the South African route, and Dart Container Line, which includes Hong Kong's C.V. Tung Group.

Two of the port's container berths will be revamped in a £5m development by a new company in which the C.V. Tung Group will have a majority share and the BTDB the rest.

The money will go on new handling equipment and talks with unions are taking place about its operation.

But Southampton is not all containers. The ferry groups provide regular passenger, car and freight services to France and Red Funnel Group sails to the Isle of Wight. Thousands of cars are imported and exported

each year and Martini for the into vats for bottling.

This year, the car business has moved up sharply after the disruptions of 1981. With 63,000 cars imported through Southampton in the first half of this year, mainly Renaults and Datsuns, the figure for the whole of 1982 has been more than matched. Exports of BL and Ford cars and trucks at 17,500 units were only 6,000 short of the full figure for 1981.

A new grain export terminal costing £2.5m has been built by Continental Grain of the U.S. and a combined export and import terminal will shortly be built by a group led by Soufflet of France.

For container traffic, Southampton's main UK competitors are Felixstowe on the east coast, nearer to many EEC markets and, to a lesser extent, Tilbury which is part of the Port of London. Dover and small south coast ports are also active on routes to the Continent.

"We intend to hold on to what we have got and strengthen where we can," says Mr Nudding. "We've done reasonably well, given the general recession." The 1982 result will be depressed by the continued disputes in the first couple of months, but he is optimistic about 1983.

Mr James McInyre, a member of the Party's Scottish executive, warned that Mrs Thatcher will face the wrath of the country's working people. She is due to have talks with the Scottish Confederation of British Industry in Glasgow next Wednesday and unions have already announced that there will be demonstrations.

Labour's support for the protest—it will not be mounting a demonstration of its own—came at a Press conference in Glasgow yesterday, where the Party unveiled an information pack it will use to promote party policy.

Last week it was announced that 1,000 Scottish steel workers will lose their jobs in plant closures—and the Party said that it had been one of the most disastrous weeks in years for Scottish industry.

Mr McInyre said: "Mrs Thatcher is going to meet the wrath of the Scottish working people, whose lives and communities are being wrecked. If 1979 was a winter of discontent on pay, 1982 and 1983 threaten to be a winter of discontent on jobs."

Labour sees the Education and Training Pack as a new method of educating party activists during what it considers to be the early stages of the campaign for the next election. It consists of fact sheets and discussion themes, and the party hopes it will switch attention from Labour's internal organisational changes—and the accompanying wrangles—to policy development.

Kinnock defends entry plan for mature students

MR NEIL KINNOCK, shadow education secretary, yesterday defended Labour Party proposals to allow students into universities, including Oxford and Cambridge, without first gaining A level qualifications.

He denied the plans would damage the standards and reputation of British universities and colleges.

"It is not a question of 'knock Oxbridge off a pedestal' simply to have some grey morass no one would find acceptable," he said.

Mr Kinnock said on BBC Radio Four's World at One programme that the proposals of Labour's post-18 education working party were simply widening the opportunities already offered by many colleges to mature students wanting to take degree courses without formal qualifications.

A quota of mature students was more acceptable, he said.

Wales faces choice over Sunday drinking laws

BY JAMES McDONALD

A "wet" in Wales may be a political drip by militant Thatcherite standards, but the term is the principle this year refers more often to views about drinking on the Sabbath.

The "wets" and "drys" in Welsh districts have until October 2 to decide whether they want to stand up and be counted on the issue of whether licensed premises should be open on Sundays over the next seven years.

The Licensing Act 1964 says a poll may be held every seven years to decide this question if more than 500 local government electors in a particular district requisition one between August 3 and October 2.

The poll will then determine whether a dry should

Scottish Labour Party to aid anti-Thatcher protest

THE SCOTTISH Labour Party said yesterday that it will support trade union demonstrations against the Prime Minister when she visits Glasgow next week.

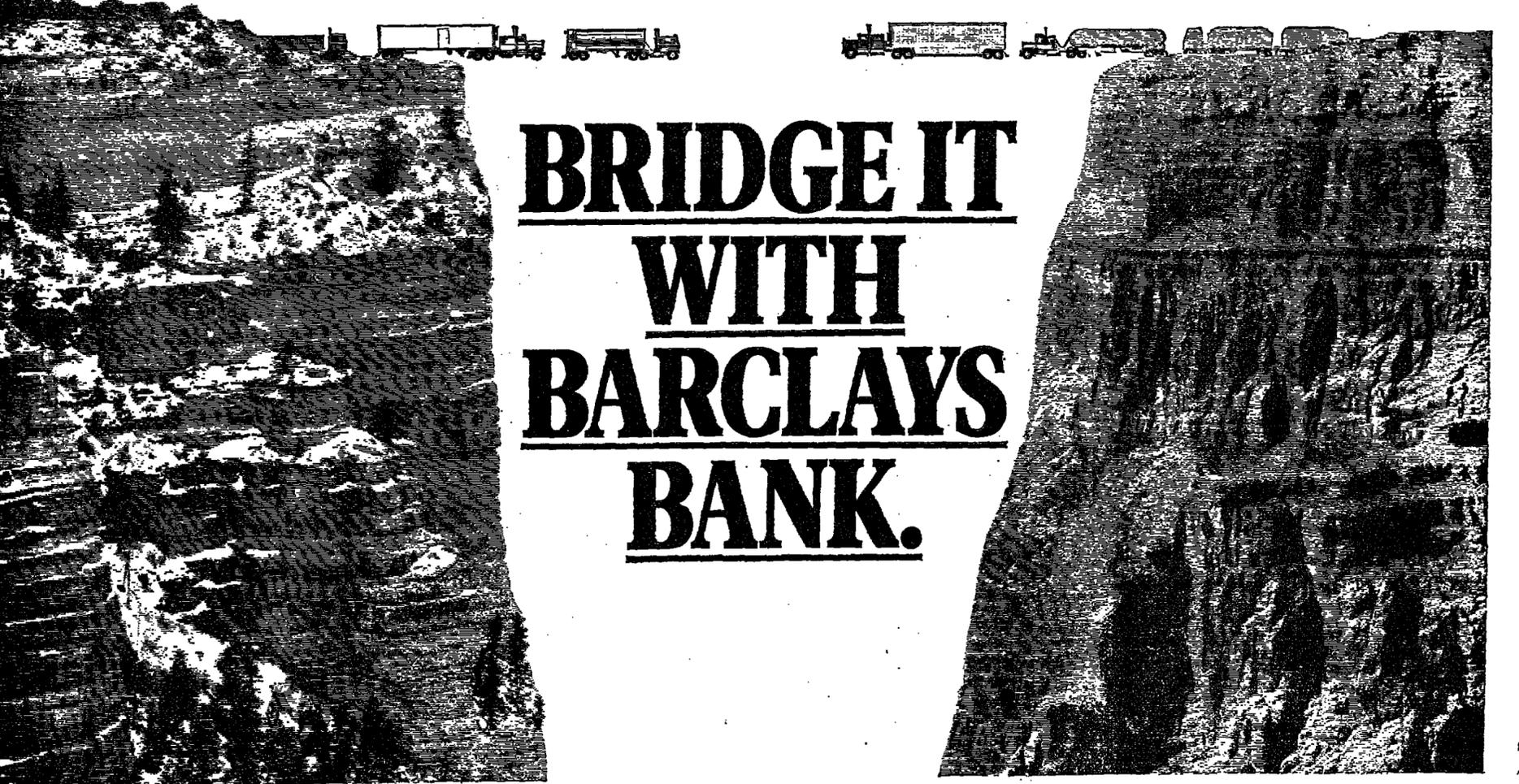
Mr William Whitelaw, the Home Secretary, will announce in early October the date on which the polls are to be conducted in districts where they have been requisitioned. If no poll is requisitioned in an area, the present Sunday practice, whether wet or dry, will remain in force.

In spite of demands, particularly from the tourist trade, for more liberal drinking laws the opposition, has succeeded, so far, in stemming the tide. In the last polls in November 1975, the districts of Aberconway, Dinefwr, Glynwv and Llanelwv became wholly wet. But Arfon, Carmarthen, Ceredigion, Dwyfor, Meirionnydd and Ynys Môn remained dry.

come wet, or whether a wet area should revert to being a dry one on Sundays.

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surprised to learn that Barclays' total assets run to over US\$93 billion (as at Dec. 31, 1981). Which is enough to take care of any project you've got in mind—from the smaller deals to the very largest. So next time you need finance, information or advice, talk to Barclays Bank. They'll help you build your bridges—and cross to the other side.



UK NEWS

Why professional people are seeing the advantages of adopting company status

PROFESSIONAL people—architects, estate agents, surveyors and solicitors—are dropping their traditional reluctance to set themselves up as companies. A number of professional bodies have ceased to insist that their members may only operate as partnerships, thus allowing them to take advantage of tax and related benefits conferred by limited or unlimited company status.

Charles Batchelor on a new look for the old partnerships

professional conduct 18 months ago to allow its members to set up as limited companies. The Institute, which has more than 27,000 UK and overseas members grouped in 4,575 UK practices, continues to share the concern of other professional bodies that a limited company does not free an individual from personal responsibility.

company status. "We have always had the feeling that a solicitor's personal assets should be available to the client," says Mr David Mercer, an officer of the society. "But there is some move within the profession that members should be allowed to set up as unlimited liability companies, giving tax advantages but still retaining the ultimate claim of clients on their assets. This comes up from time to time and is under informal review."

Oil refineries at 62% capacity in 1981

THE 21 oil refineries in Britain operated at only 62 per cent of capacity last year. The plight of the industry, at a time of declining demand, is emphasised in the Department of Energy's latest digest of statistics.

products for British consumption dropped from 71.17m tonnes in 1980 to 66.23m tonnes, of which 58.70m tonnes or 88 per cent, were to generate energy. The most marked drop in output was that of fuel oil. Production fell by nearly 20 per cent from 23.7m tonnes in 1980 to 19.05m tonnes last year.

SDP to contest Peckham by-election

By John Hunt. THE Social Democratic Party is to fight the by-election in the South London constituency of Peckham caused by the death during the weekend of Mr Harry Lamborn, the sitting Labour MP, it said yesterday.

Large stocks keep house prices steady

BY WILLIAM COCHRANE. MID-SUMMER hopes of a more buoyant period for house prices in the next six months have drawn a cautious response from the Royal Institution of Chartered Surveyors. Its house price survey for the quarter ending in July indicates it is still a buyers' market for private homes.

Lear Fan project 'to remain in Ulster'

BY OUR BELFAST CORRESPONDENT. A REFINANCING of Lear Fan, the Government-backed company planning to manufacture executive aircraft near Belfast, will not mean the project being moved from Northern Ireland, Mr Darwin Templeton, the chairman, said yesterday.

Thatcher goes private for veins operation

By John Hunt. PRIME MINISTER Margaret Thatcher was "in fine condition" in the private Fitzroy-Nuffield Clinic, London, last night following a minor operation for varicose veins.

Call for inquiry into tax haven islands

FINANCIAL TIMES REPORTER. A LABOUR MP, who tried unsuccessfully last year to end the tax-haven status of the Channel Islands and the Isle of Man, has asked the Government to set up an inquiry into relations between the UK and the islands.

Airlines halve cost of winter flights to Spain

BY LYNTON MCLAIN. BRITISH AIRWAYS and Iberia, the Spanish airline, have cut the cost of flights to Spain this winter by about half. The cuts, giving a 57 per cent return economy air fare on Iberia from London to Barcelona and a range of other cheap fares, were announced separately by the two airlines yesterday.

Riverside redevelopment scheme given go-ahead

BY WILLIAM COCHRANE. A REDEVELOPMENT scheme for St Mary Overie's Dock site, on the south bank of the Thames between London Bridge and the railway bridge serving Cannon Street station, was given the go-ahead yesterday by Mr Michael Heseltine, Environment Secretary, a year after a public inquiry into the proposed development.

Water costs to business keep pace with inflation

FINANCIAL TIMES REPORTER. WATER charges to business users in the UK held steady in real terms—within 9.33 per cent increase in step with the inflation rate—in the year to July 1982, according to a survey of world water costs, published yesterday.

Second EEC anti-poverty action programme urged

BY LISA WOOD. THE NEED for a further anti-poverty programme in the EEC is to be put to the Council of Ministers by Mr Ivor Richard, EEC Commissioner for Employment and Social Affairs.

A golden opportunity to cash in on fears of fraud in the bullion business

Lynton McLain on a David and Goliath battle for the profits of gold fraud detection

GOLD FRAUD, or the fear of it, is back in the news and at least one British company expects to benefit from it in an entirely legitimate way. The company, CNS Electronics, of North London, has for more than a decade been making and selling equipment suitable for detecting gold fraud. It is ideal for spotting the classic gold fraud, the heavy lead or tungsten "gold bar" coated with only a layer of real gold.

Last year the Japanese bought 117 tons of gold for hoarding. This represents almost 10 per cent of the total world production of gold last year, a significant amount in the world of gold. It was this sudden indulgence in gold that spurred the banks and securities companies to become wary about the massive amounts of gold they were suddenly handling.

It is ironic for CNS Electronics that the Japanese are now scooping out their own domestic market for gold fraud detectors. CNS Electronics had already sold its own detection equipment to Mitsubishi Heavy Industries, a sister company of Mitsubishi Electric, for industrial use.



Mr Gerald Selous, CNS Electronics chairman. It took CNS two years after its exports to U.S. Steel to persuade British Steel to buy the equipment for testing tiles in the UK steel industry. BSC now makes its tile suppliers test all their products with a Pundit before delivering the materials.

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هكزان التجميل

One-day stoppage likely to back health workers

BY DAVID GOODHART, LABOUR STAFF

A ONE-DAY strike throughout Scottish industry in support of the health workers dispute is the most likely outcome of a mass meeting of Scottish shop stewards on September 11.

It is believed that only about 35 per cent of the college's members have voted in the ballot which will disappoint its leaders.

Civil service unions seek legal advice on disciplinary moves

BY OUR LABOUR STAFF

CIVIL SERVICE unions are seeking legal advice over the Government's decision to take disciplinary action against staff who went on strike in support of the health service workers.

The Council of Civil Service Unions is seeking advice in particular about departmental management's action in making a connection between what the departments call "political activities" and sympathetic industrial action.

who are believed to have committed breaches of the rules of conduct, including overtly political or abusive action.

Industrial civil servants accept deal which will boost overall pay bill 6%

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LEADERS of 140,000 industrial civil servants yesterday formally accepted a pay, hours and leave deal which will provide for an overall paybill increase of 6 per cent.

pay increases. It will be contained within them by manpower reductions and other savings.

bottom of the group's 22 banded pay rates £69.65 to £74.05, and those on the top or Band 22 rate £94.65 to £99.05.

The deal is one of the final public sector agreements in the wage round which has just ended. Still outstanding are the British Rail increase, currently being considered by an arbitration tribunal, and pay rises for National Health Service workers.

The agreement will give rises in the basic rates of adult non-craft workers of £4.00 per week, or an average of about 5.8 per cent, backdated to July 1, the group's settlement date.

In addition, the agreement provides for a one-hourly reduction in the industrial's 40-hour working week. This reduction will be backdated to January.

Though the 6 per cent industrial deal is beyond the 4 per cent figure set in the cash limits for public service

This will take those on the

The deal is broadly in line with the 5.9 per cent agreement for white-collar civil servants, and compares with the 6.8-8.3 per cent on basic rates secured by the industrial's last year.

Mersey dockers to vote on deal

By Our Labour Staff

DOCKERS in the Port of Liverpool will today vote on a two-year pay and productivity deal at a mass meeting in the city boxing stadium.

The deal is for a 29 a week increase this year accompanied by changes in working practices, £144 back pay to May 1 when the claim was lodged and further 29 increase next year with no strings attached.

The changes in working practices involve reducing the size of gangs in certain areas and stretching gangs in other sections.

The port shop stewards will meet before the mass meeting this morning.

Mr James Fitzpatrick, chairman of the Liverpool Port Employers' Association, said yesterday that any industrial action would have nightmarish results on the port.

He said: "When a company is losing £50 a week for every man and woman on the payroll it can afford nothing less than total realism."

Officials of the Transport and General Workers' Union fear further job losses with the new working practices.

Murray and Sapper clash over settlement

BY JOHN LLOYD, LABOUR EDITOR

THE LAST rumblings of discontent over the settlement of the train drivers' strike last month by the TUC's Finance and General Purposes Committee has produced an extraordinary exchange between the TUC general secretary, Mr Len Murray, and its chairman, Mr Alan Sapper.

Mr Sapper has in effect had to apologise to Mr Murray for a statement he published in the monthly journal of the TV Technicians union ACTT—of which he is general secretary.

A letter in the latest issue of the ACTT journal from ACTT members took Mr Sapper to task for being a party to the committee's decision to tell Aslef to call off the strike.

However, in a statement appended to the letter, Mr Sapper wrote that he personally regretted the decision, and that the committee was split in a vote on the issue.

Mr Sapper could not vote—but had he been able to, he said, he would have voted with the minority against the decision.

TUC courses commended

BY JOHN LLOYD, LABOUR EDITOR

TUC education courses have been warmly commended by government inspectors for their high standards—in a report published two days after Mr Norman Tebbit, the Employment Secretary, threatened to cut off state funds for such courses.

The TUC General Council report for 1982 says HM inspectors responsible for trade union education visited a number of colleges at which trade union courses were offered, and wrote highly complimentary reports.

The reports says the course objectives were clearly defined:

learning materials were well designed, independent study was encouraged, skilled use was made of teaching aids; accommodation was of a good standard; the students were enthusiastic and the lecturers well motivated and had good academic qualifications.

However, Mr Tebbit made it clear in an ITV interview on Sunday that he was considering ending the £1.6m a year of public funds for TUC education courses.

The Department of Employment said last night that a decision on the funds was likely before the end of the year.

Water staff accept 7.5% rise

By Our Labour Staff

WHITE-COLLAR staff in the water industry have accepted a pay increase of 7.5 per cent from the National Water Council.

The package for the 30,000 staff includes an extra day's holiday for staff with under 24 days holiday a year, and is backdated to July 1.

A delegate conference of the National and Local Government Officers Association accepted the deal yesterday. The union's original claim was for a cost-of-living rise.

The industry's 32,000 manual workers accepted a pay increase of 9.1 per cent earlier this year.

The delegate conference also passed a resolution deploring the Government's proposals to disband the National Water Council.

Setters strike at brickyard

THIRTY KEY workers went on strike at the London Brick Company's yard at King's Dyke, near Whitlsey, Cambridgeshire, yesterday.

The men, employed as setters, walked out after refusing to implement new working practices to increase output.

Crisps stoppage

PRODUCTION of a million packets of potato crisps was lost yesterday by a 24-hour strike by workers at Golden Wonder's Corby, Northants, factory.

Over 400 workers stayed away in protest at the sacking of a colleague.

Fitters on strike

NEARLY 100 fitters at the Blackwood Hodge earthmoving equipment depot in Northampton were on strike yesterday over a pay dispute.

They want management to increase a £7 a week pay offer.

Advertisement for BLESMA, British Limbless Ex-Service Men's Association. Includes text: 'WE, THE LIMBLESS, LOOK TO YOU FOR HELP' and 'We come from both world wars...' and a small illustration of a person.

APPOINTMENTS

New chairman for Bett

BETT BROS. is making the following changes on September 1: Mr Iain C. R. Bett, joint managing director, will become chairman following the retirement of the present chairman, Mr Albert A. Bett.

Mr B. G. Devereese has been appointed a director of PETER PEPPER (UNDERWRITING AGENCIES).

THE LUMMUS COMPANY, part of Combustion Engineering Inc, has appointed Mr Peter T. Swan as financial director. He will be based in Northampton.

Mr John Newton has been appointed marketing and business development director of FAIRCLOUGH BUILDING, a subsidiary of Fairclough Construction Group.

Mr Robert Tainsh has been appointed chairman of CAMBRIDGE PETROLEUM ROYALTIES following the retirement of Sir Patrick East.

Mr Tadashi Otsugi, currently managing director of Bridgestone Tyres in Britain, has been appointed president of BRIDGESTONE (CANADA) INC.

SEARS ROEBUCK AND CO. has appointed Mr Philip J. Furell as president and chief operating officer of the company's Dean

Witter Financial Services Group Mr Robert M. Gardner was appointed chairman and chief executive officer of the group, replacing Mr Andrew J. Melton, Junior.

Mr Edward L. Smith has been elected president of USS ENGINEERS AND CONSULTANTS INC, a wholly-owned subsidiary of U.S. Steel. He succeeds Mr Frederick A. Dudderar, who is retiring after more than 42 years of service with U.S. Steel.

Dr Marc Moret, managing director of Sandor AG, Basle, is to succeed Dr Alfred Hartmann, vice-chairman of F. Hoffmann-La Roche, Basle, as president of the SWISS SOCIETY OF CHEMICAL INDUSTRIES at the end of the year.

Mr J. Roy Nicholas, chairman and chief executive officer of the operating companies of ROYAL INSURANCE, U.S., is retiring on October 31. He will be succeeded by Mr George W. Ansbro who will also retain his present titles of president and chief operating officer.

Mr Robert Worsley has been appointed chief executive of the electro-optical division of the PILKINGTON GROUP. He succeeds Mr Gordon M. Morrison who retires from the group at the end of August.

Sir Richard Worsley has been appointed chief executive of the electro-optical division of the PILKINGTON GROUP. He succeeds Mr Gordon M. Morrison who retires from the group at the end of August.

Mr R. G. Bowin has been appointed works director of G&O A. MOORE & CO. Mr Bowin joined the company in 1978 as production planning manager.

CONTRACTS

£3.7m orders for Drake & Scull

DRAKE & SCULL has won regional contracts worth £3.7m. The Merida region is providing £1.5m of mechanical services for the new education and training centre at Milton Keynes for Barragans Machines.

A contract worth £1.3m has been awarded by South West Thames Regional Health Authority to BRITISH MEDICAL DATA SYSTEMS for computerisation of patient administration systems at two district health authorities, Wandsworth and West Surrey/North East Hants.

contract awarded by Matthew Hall Engineering, acting as a sub-contractor to R. M. Parsons, involves the thermal insulation of vessels and equipment using mineral wool and foam glass insulation and steel cladding. Work is scheduled for completion by the end of this year.

In the North East region six projects worth £300,000 in the Gateshead area, including upgrading of the mechanical and electrical engineering services, are being undertaken for the Gateshead traction and maintenance depot at Tyne & Wear Passenger Transport Executive.

The South Thames region has been awarded a £1.9m contract in South London for the modernisation of 400 dwellings in the London Borough of Southwark, where Drake & Scull is the principal contractor, and the mechanical services for a

new Sainsbury's supermarket development at Crystal Palace.

DERBY BUILDER, WM. WALKERDINE, is to build a £1m block of flats for elderly people at Newcastle under Lyme, north Staffordshire, for the Beth Johnson Housing Association.

FLATS AND OFFICES for London and Paris Properties will result from the refurbishment of 41 Berkeley Square/1 Farm Street in London's Mayfair, following a £1.5m refurbishment project awarded to JOHN LELLIOTT.

Large advertisement for Bechtel featuring a large illustration of a globe and text: 'THE BEST PART OF OUR WORK NEVER HITS THE HEADLINES.' Includes text about Bechtel's global reach and capabilities in infrastructure projects.

# TECHNOLOGY

## Japanese television industry presses ahead with high definition system

# Catalyst for bigger screens and better quality

By Elaine Williams in London and Peter McGill in Tokyo

JAPAN'S television industry is pressing ahead with a high definition television system which it hopes will be adopted worldwide.

Sony, Matsushita and Ikegami have already developed some of the equipment; Toshiba and the Japan Victor Company (JVC) are likely to announce products before the end of the year.

This new system will provide better picture quality than that available with today's technology and will allow the use of much larger television screens. A sales boost for the new TV sets should follow.

In the Japanese system, each television picture is made up of 1,125 lines compared with 625 used in existing world broadcasting systems. This means that each television channel must have a frequency bandwidth of at least 30 MHz to carry the signal compared with about 6 MHz for conventional television.

For high definition to be a success, however, it requires

several other technologies to become well-established—direct broadcast television by satellite and cable systems linking homes to information services such as Prestel, as well as conventional television programmes. These have the extra frequency bandwidth necessary to transmit high definition TV.

Japan's public broadcasting corporation, Nippon Hoso Kyokai (NHK) has developed the necessary hardware from transmission equipment TV cameras, to television sets, in co-operation with the Japanese equipment manufacturers.

It began its research 12 years ago; now the pace of development has increased because of the possibilities opening up with satellites and optical fibre cables.

NHK has been a catalyst to private industry because of its own needs. It has to provide television coverage using conventional terrestrial transmitters across Japan's mountainous terrain and to some

remote islands. This is both difficult and expensive.

It wants to use satellites to make reception easier and exploit this technology to introduce high definition television.

Mr Toshio Mori, technical adviser to the Electronic Industries Association of Japan, says: "High Definition television is important for the future of the Japanese electronics industry."

### Individual

Now, high definition television is not new. France was one of the first countries to introduce—and eventually drop—a high definition system where each picture frame was made up of 918 individual lines instead of 625 lines used in Europe and the Far East and 525 lines in the U.S.

France found that the system was expensive and occupied more than twice the bandwidth needed for other television systems. In the crowded fre-

quency spectrum, this price was just too much to pay.

The BBC believes that there is little point in introducing a high definition system to the existing terrestrial networks. It argues that it would be too costly to the consumer, present television screens are too small to make the improved definition apparent and would take up too much precious frequency bandwidth.

Television set manufacturers are also aware of the need to develop a large size television screen at least one metre wide. To be acceptable to the consumer the TV will have to be a flat screen, thin enough to be hung on the wall like a picture.

The receiving electronics would be in a small cabinet connecting to it.

NHK claims to have developed a flat panel display but admits to having some technical problems associated with it. This has been the case for most researchers in this field who have found difficulty

in producing screens which can produce a high quality picture.

The Independent Broadcasting Authority in the UK says that the major stumbling block to high definition television is the lack of progress on a world standard.

Today there are three main standards. NTSC in the U.S., PAL in Europe and Japan, and SECAM in France, and the Eastern Bloc.

In fact, the task of trying to establish a world standard of high definition television is already under way to determine the frequency waveband, and the number of lines to make up each frame.

These deliberations are taking place through a body called the International Radio Consultative Committee. Most countries want a world standard but wish it to be their system rather than anyone else's.

It is in Japanese companies' minds to try and establish its system on the world simply by introducing such systems com-

mercially before anyone else.

Next year CBS in the U.S. plans trials of the Japanese high definition TV and has said tentatively that it would fully launch it in 1987. Analysts there say that about half American homes could be equipped with HDTV by the end of the century. The U.S. has the dubious honour of the lowest definition television systems in the world. The quality is so poor that people joke that "NTSC stands for 'Never the Same Colour'."

Another obstacle to high definition television is that the standards for satellite television within most of Europe and Japan have already been set because systems will be launched in about three or four years' time.

Soon Britain will decide if it is to adopt a new standard, using the existing PAL standard or modify it slightly to improve picture quality and provide stereo sound as suggested by the BBC.

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## Vaccines Japanese development

JAPANESE scientists claim to have made a breakthrough in the mass production of Type B hepatitis vaccines using genetic engineering techniques.

According to Professor Kenichi Matsubara of Osaka University's faculty of medicine, recombinant DNA technology was used with a virus gene to produce the vaccine from a yeast normally used for making bread and beer.

Recombinant DNA technology makes use of the fact that in some living cell bacteria such as yeast there is a small quantity of DNA material called plasmids.

Plasmids are akin to cell parasites but have the ability to be modified to carry a foreign gene into a cell where it can be reproduced. In this way vaccines which are normally difficult to make can be manufactured by living cells such as yeast.

Much of the problems of researchers in this field have revolved around moving from laboratory production to mass manufacture.

Osaka University which is carrying out its work with Hiroshima University and the Chemical Serotherapeutic Research Institute in Kumamoto City, Southern Japan, say that the amount of vaccine produced by the process is potentially large—equivalent to 500,000 units per yeast.

However, there is still a long way to go before Hepatitis B Vaccine is produced in large quantities in this way.

Next year CBS in the U.S. plans trials of the Japanese high definition TV and has said tentatively that it would fully launch it in 1987.

## Survey shows foreign exchange dealers as chief computerisation target

# Intensive work in some areas—neglect in others

FOREIGN EXCHANGE dealing is the chief target for computerisation among London's wholesale bankers, followed closely by the attachment to the SWIFT network.

This is the conclusion of a survey about 100 London banks and security houses carried out by HR and H Marketing Research on behalf of BIS Banking Systems, a leading supplier of banking software and creator of the award winning MIDAS package.

The survey shows that although 85 per cent of the banks questioned had already computerised some part of their foreign exchange operation, 30 per cent believed that further computerisation would be necessary.

Some 23 per cent of the sample were interested in computerisation with a view to joining the SWIFT world-wide financial messaging system while 20 per cent were interested in the automation of commercial loans.

Some 21 per cent of the sample said they would be keen to see computerised dealer aids for foreign exchange.

The overall impression from the survey is of a group of companies which have computerised intensively in some areas—85 per cent, for example, used computer systems for general ledger—while other areas are almost completely neglected.

Only 18 per cent of the banks, for example, used a general purpose report writer and only 50 per cent used a computer

system to aid arbitrage dealings.

The survey was conducted among a mixed group of senior banking executives including branch managers, operations managers, chief accountants and data processing managers.

The sample of banks included those with 35 or less staff to those with over 100; the services they saw as increasing in

importance over the next five years were international cash management, Eurobond financing, portfolio management and worldwide telecommunications.

Some 60 per cent of the sample used IBM computers—the report notes: "The only other manufacturer even remotely to challenge the dominance of IBM was NCR."

Almost two-thirds of the sample said they had used and would continue to use the services of a software house for programming their computers.

What they wanted to see in a software house was first, financial stability, next reputation and third, references from present customers.

The survey asked the banks

their views on the future of Chaps, the Clearing Houses Automated Payments System.

Thirty-four per cent thought it an important development of use to the wholesale bankers, 13 per cent thought it would grow inevitably and only 4 per cent thought it would be of little use to them.

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Dealers Aids—	
Foreign Exchange	22
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Word Processing	19
Money Market Dealing	18
Nostro Reconciliations	18
Bills and Letters of Credit	16
Dealers Aids—Eurobonds	14
Larger Telex System	14
Worldwide Limits	14
Budgeting Model (forecasts)	12
Eurobond	12
Head Office Telecommunication	12
Worldwide Foreign Currency Position	12
Currency Position	12
None of these	12
Don't know	12

BANKING AREAS ALREADY COMPUTERISED TO ANY EXTENT	
(percentage response)	
General Ledger	95
Foreign Exchange Dealing	85
Money Market Dealing	82
Statutory Returns	77
Commercial Loans Admin.	64
Syndicated Loans	64
Retail Banking	62
Dealers Aids—	
Foreign Exchange	57
Arbitrage	50
Worldwide Limits	40
Worldwide Foreign Currency Position	39
Nostro Reconciliations	36
Eurobond	34
Bills and Letters of Credit	33
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Dealers Aids—Eurobonds	28
Bond Trading	27
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Larger Telex System	22
Budgeting Model	19
Gen. Purpose Report Writer	18
Mortgage Accounting	18
Portfolio Management	16
Client Access	14
Small Telex System	7
None of these	7

## Cameras Ultra-small prototype

SONY Corporation said in Tokyo last week that it had developed the prototype of a video tape recorder incorporating an ultra small camera.

The company is now studying the possibility of launching the product commercially, a company spokesman said. Likely cost is expected to be in the region of U.S.\$1,000 per unit.

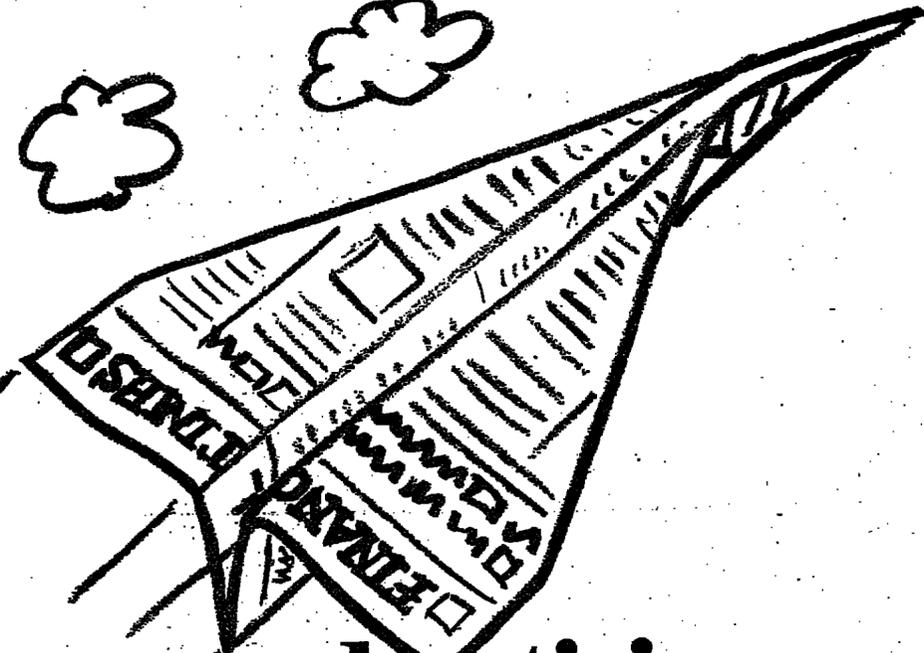
The new machine is said to weigh 2.3 kilograms and give a shooting time of three hours.

## Topcon theodolite

A TOP of the range one second theodolite from Japanese manufacturers, Topcon, is now available for the first time in Britain from Hall and Watts, 266 Hatfield Road, St Albans (0727 35686).

The TL 1E has automatic vertical indexing and a two-speed horizontal circle revolving system. Hinged protective covers can be closed over the fast and slow motion knobs to prevent accidental horizontal movement.

Horizontal or vertical readings are selected by turning a knob and can be viewed through a micrometer eyepiece adjacent to the telescope eyepiece.



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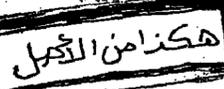
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هك زمان الأكل

THE ARTS



Architecture/Colin Amery

Seven new schemes for the National Gallery



Controlled dignity, National Gallery extension by Ahrends, Burton and Koralek in Trafalgar Square

An architectural competition has been under way for several months to find the best design for a new building to extend the National Gallery in Trafalgar Square...

It is one of the most important sites in London. Anything that is built there seals an important vista from the great space of Trafalgar Square...

The other buildings, Herbert Baker's wedge-shaped South Africa House, Skirbeck's Canada House, and the gallery itself by William Wilkins...

That no government now or in the future would be likely to foot the bill for an extension. It is an ingenious arrangement...

The combination of office block and galleries that have to be put together is a difficult architectural problem. It has meant that the site has to be densely filled and the very different requirements of paintings and office workers...

One scheme by Richard Rogers, the architect of the Centre Pompidou in Paris is an undiminished piece of brazen modern expressionism. It raises the galleries on stilts above a slenderly curved office building...

Like the Lloyd's building under construction in the City it exposes its structure and services and rejoices in its metallic skeletal qualities. It is a coarse and rather manic building...

strongly balanced response to the stone classicism of the Square. Arup Associates have also responded well to the formality and architectural qualities of the site. Their office building respects the London street line...

A curved entry court leads into the galleries which are superbly right in their arched contours for the spirit of the collection. The roofline is the least happy part of this scheme...

cient for the galleries, are unimaginative. The one foreign entry by the grand old firm of modern architecture, Skidmore Owings and Merrill from America is a curiously shy and diffident entry. Stone, granite and bronze are certainly appropriate for this site...

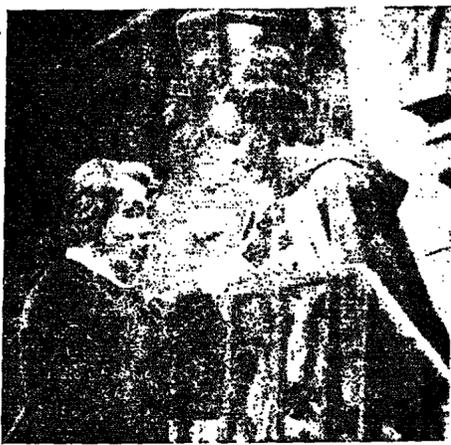
To nominate a winner is a notoriously difficult business and I intend to hedge my bets by recommending two schemes. Both the Ahrends, Burton and Koralek and the Arup Associates proposals are gifted and appropriate. They both see the point of good-mannered reference without any loss of architectural integrity. Above all, they seem to understand what an art gallery is about...

St. Marylebone Housing Association

In our issue of July 19 we published an architecture article entitled 'Behind the Facade' in which we stated that the St. Marylebone Housing Association had a terrible plan to alter radically the nature of the building known as York Street Residential Chambers...

Manon Lescaut/Edinburgh Festival

David Murray



Peter Lindroos and Nelly Miricioiu

Though Edinburgh still advertises itself abroad as one of the "schönsten Städte der Welt," the degradation wrought upon Princes Street is painful to behold, and the re-building gives no promise of restoring it to its old handsome condition.

Completed in 1892, Manon Lescaut was Puccini's first major success. He was by no means the first composer to raid the Abbe Prevost's novel, which had material enough to generate several adaptations without too much overlap compared to Massenet's 1854 version...

deportation, and a black-and-silver moonscape for the last agonies. Some opacity attaches to the principal characters, however. Alexander Gibson's orchestra was insistently loud...

slightly spivvy person of Gino Quilico, a model of vocal style and vitality. The many smaller roles are nicely taken. Alexander Gibson's orchestra was insistently loud...

Blood and Ice/Traverse, Edinburgh

B. A. Young

To present poets on the stage, it is not enough to fill their text with quotations. Blood and Ice by Liz Lochhead is about the Shelleys and the Byrons, if those loosely-connected pairs can be described like that. They quote one another's very good deal; indeed, Mary Shelley sets the piece off by singing "Though we'll go no more a-roving as she sits at her desk, her mind on her baby, William, perhaps."

get the quotation from Eppyschidion, that in love "to divide is not to take away," and he starts a baby with Byron's current mistress, Mary's half-sister, Claire Clairmont. Mary began Frankenstein after a nightmare, and in a while the people around her become the people in the book. Shelley becomes Frankenstein and Byron is the monster, identification which seem to me to be thrust on them rather than earned.

Despite the biographically historic facts grafted on them, I could not make these people into the Shelleys and Byrons of my imagination. Consciously intellectual in manner though it is, their conversation has little depth. This is not to say the characters are not decently played in their way. Andrew C. Wadsworth as the beautiful (but unromantic) Shelley, Gerda Stevenson as the philosophical Mary, Claron Hinds as Byron, not so visibly lame as he behaves, suggests a sinister figure from Poe more than an English poet, and I dread that Mary might, Claire, with her constant rejections into bad French, is portrayed by Jenny Michelmore as a jolly tomboy.

Guthrie Theatre, Minneapolis/Frank Lipsius The 18th century on wheels

In February, Minneapolis looks as though it were never destined to see the sun, but mid-summer brings blue skies, warm sunshine and along with it, at the Guthrie Theatre, an enthusiastic return to the eighteenth century. Fresh from its special regional-theatre Tony award, the Guthrie's current season includes Goldoni's summer holiday trilogy transformed into Summer Vacation Madness...

in spirit if not literally that he gets away with a manic scene of the company dressing for the marriage accompanied by Mozart's overture, played on the kind of enormous stereo boom enjoyed by the rebellious of our era.

The box climaxes the director's indulgence in the trappings of this alternative lifestyle, an American counterpart to Britain's punks or Louis XVI's chafing nobility. While David Warrow as the Count Almásy, wearing a white suit and bonafide in the style of a Monte Carlo card shark.

But the obsession with wheels extends the sofas being rolled round the stage, along with beds, wheelbarrows, motorcycles and a grocery cart. Serban goes

overboard with it. Every scene has been jazzed up, the dash of an idea evident in the long passages where characters dance to the rhythm of their own words or the scary swing on which Robert Dorfman as Figaro has his climactic and dangerous indulgence in seductive thoughts.

Serban has picked a good cast to fulfil his primary needs of nimbleness, as exemplified by Dorfman, Jana Schneider as an appealing and fresh-faced Suzanne, Saitim Clarke as a diminutive and mischievous Cherubino, and David Warrow dreamily presiding over events as an over-sexed overseer from another generation. They go through the paces demanded by the director's feverish mind, which is never at rest, full as it is of all kinds of possibilities and temptations that do not stop even in the face of excess.

Benji Montross's set and costumes give full rein to Serban's inspiration, the set consisting of iridescent silver walls and floors on which light-

designer Duane Schuler can instantly change mood and even create wall-length murals reminiscent of Monet's lily ponds.

With William Faulkner's only play, Requiem for a Nun, Guthrie director Liviu Ciulei creates a world of 20th-century America more distant than his one-time student Serban's ancient regime Europe. This is the first major revival of the work since its initial round of productions in the mid-1950s, an understandable oversight considering the obstacles it presents to production.

Munson Hicks as Ferdinando sets the tone and pace of these antics in his role as the pretensions gossip who looks down his nose at everything but his own understanding of the need for Vittoria against Giacinta in their quest for sartorial distinction while their households vie for Ferdinando's foppish, unappealing but sought-after presence.

misogynist, his men get off little better than the women, with Vittoria's father, an adorable, Ben Franklin-looking Bill McIntyre as Filippo, competing with Seth Allen's Leonardo for Ferdinando's approbation. Broad slapstick goes awry as Leonardo keeps changing his mind about venturing into the country at all, while Filippo suffers exasperation at the demands made of his open-hearted hospitality by his guests and spoiled daughter.

Frantic preparations for the holidays give way to hardly more peaceful antics in the idyllic setting of Montenero, but the serious game of courtship and marriage arouses some emotional range in Kristine Nielsen as Giacinta but does little for the more limited pouting of Caitlin Clarke as Vittoria. Seth Allen's Leonardo has a jarring New York accent that he spreads like nasal molasses over his contrasting, but here barely distinguishable efforts to control his sister Vittoria and crawl to his love Giacinta.

THEATRES

ALBANY Air-cond. 8-25 5878. CC 930 9322-373 6565. CDT 3009. SAT 6-26 5936. Eves 7-30. Sat 8-24. Sun 1-30. PLAYERS: JUDITH KATHAM, JONATHAN WAINMAN, ELIZABETH QUINN, CHRISTOPHER WALKER, ELIZABETH QUINN. DIRECTED BY STEVEN DICKSON. A new play Oct 1982.

CHICHESTER FESTIVAL THEATRE. 0243 372 6385. CC 930 9322-373. 6565. CDT 3009. SAT 6-26 5936. Eves 7-30. Sun 1-30. PLAYERS: JUDITH KATHAM, JONATHAN WAINMAN, ELIZABETH QUINN, CHRISTOPHER WALKER, ELIZABETH QUINN. DIRECTED BY STEVEN DICKSON. A new play Oct 1982.

NEW MATINEES 01-857 8822. CC HOUNSLEY 437 8327. CC 930 9322-373 6565. CDT 3009. SAT 6-26 5936. Eves 7-30. Sun 1-30. PLAYERS: JUDITH KATHAM, JONATHAN WAINMAN, ELIZABETH QUINN, CHRISTOPHER WALKER, ELIZABETH QUINN. DIRECTED BY STEVEN DICKSON. A new play Oct 1982.

ALICE. CC 01-437 8822. CC HOUNSLEY 437 8327. CC 930 9322-373 6565. CDT 3009. SAT 6-26 5936. Eves 7-30. Sun 1-30. PLAYERS: JUDITH KATHAM, JONATHAN WAINMAN, ELIZABETH QUINN, CHRISTOPHER WALKER, ELIZABETH QUINN. DIRECTED BY STEVEN DICKSON. A new play Oct 1982.

BALDWIN'S WELLS THEATRE (C). Unit 811 SUMNER STREET, Luton. Tel: 01456 5424. CC 930 9322-373 6565. CDT 3009. SAT 6-26 5936. Eves 7-30. Sun 1-30. PLAYERS: JUDITH KATHAM, JONATHAN WAINMAN, ELIZABETH QUINN, CHRISTOPHER WALKER, ELIZABETH QUINN. DIRECTED BY STEVEN DICKSON. A new play Oct 1982.

F.T. CROSSWORD

PUZZLE No. 4956

ACROSS

- 1 Just one suit seen on a naval vessel? (11)
7 and 28 Ask for a single and go away (6)
9 Exclusive typewriter type-size (5)
10 Scart for a vertebra (9)
11 Carry in ecstasy (9)
12 Summon up to elicit (5)
13 Old silk mixture in water-proof fabric (7)
14 Inane person making an architectural projection (4)
15 At work on the summit (4)
18 Can't ego become related? (7)
23 Teamleader with skin disease? Rubbish! (5)
24 A means of access to gallery of superior quality (3-6)
26 Subordinate subject relying upon another person for support (9)
27 A device for lifting a bird (5)
28 See 7 Across
29 Formal signing of paper as posted? (5, 6)
DOWN
1 A doubtful point in search I take on (8)
2 Am I to send a telegram to be friendly? (8)
3 Lock found in fortresses (5)
4 Hurried with a stupid person in Burmese capital (7)
5 Inhabited by extra edict perhaps (7)
6 Caring Australian Aborigine unity in Geelong initially (9)
7 Frenchman takes little brother to school (6)
25 Spot a set of mathematical lines (5)
Solution to Puzzle No. 4955

crossword puzzle grid with numbers 1 through 28 in specific cells, corresponding to the clues provided.

THE MANAGEMENT PAGE: Small Business

# When risk assessment can become a personal affair

Technica is in a hazardous business. Simon Henderson reports

IT MIGHT be said that experts who assess industrial risks should be prepared to take a few risks themselves. A little over a year ago a group of five engineers and scientists started doing just that, and have found that so far their own risks have proved more than worthwhile.

The five, ranging in age from 28 to 41, formed their own consultancy. After 12 months of operation the fee income they have generated—more than £600,000—exceeds their original most optimistic forecast by a factor of three. Technica, the company they formed, has won a respectable share of a market which they initially considered was worth up to £10m a year in the EEC.

Technica's field is highly specialised. Essentially hazards assessment means looking before construction at the dangers associated with, say, an offshore oil platform, a chemical plant or a nuclear power station. The company also analyses the risks of pollution and other particular hazards which might occur and whether this frequency is tolerable.

The backgrounds of the founder directors are in fields as diverse as chemical engineering, aeronautical engineering, combustion and fluid dynamics.

They learned their profession studying the effects of such disasters as the Flixborough explosion in 1974 in England and the accident at Seveso in

1976 in Italy which led to the release of toxic dioxin in the surrounding area. Working as part of a team at another consultancy, they decided to go their own way; Technica is the result.

In the past year their work has included several studies on the safety of North Sea offshore platforms. Other work has included assessing the danger of oil pollution in the Shetlands, the possible consequences of the expansion of a Dutch plastics factory, and a confidential study on the risks of flooding—whereabouts undisclosed.

Efforts are now being made to move Technica into the computer software side of the field. It has already completed a mathematical model for a client showing how gas clouds form during accidental releases. Another project involves providing software for the Dutch Environmental Health Authority to carry out its own hazard analysis of chemical plants.

Rapid

Customers have included big names like British Gas, the Hong Kong Government, and international oil companies. As is the nature of consultancy, work in hand only stretches three months into the future—“after that there is a void.”

But Technica is pleased with its success rate in bidding for contracts. This averages out at about 75 per cent. A small job

might bring in £10,000; the largest has been worth £100,000.

The success is particularly gratifying because none of the founder directors had any particular business experience. Dr David Slater, the managing director, is aware that the growth of work volume might have been too rapid. He says the company is deliberately trying to avoid taking on too many jobs and making sure that it is not dependent on any one type of work.

Similar caution comes from the Industrial and Commercial Finance Corporation (ICFC), the City institution which provides medium and long-term funds for small businesses. ICFC has 25 per cent of the equity (£7,500) and put in an additional unsecured loan of £40,000.

Felicity Rutland, who handles the Technica file at ICFC's Reading offices, says “the company has performed well above average and I am delighted,” but she adds that just over one year is much too short a time on which to draw conclusions.

Organisationally, Technica has been able to expand. It now has 20 full-time staff including five directors, and it can also call on a panel of 28 consultants for specialist assistance.

Professor Frank Lees of the chemical engineering department at Aston University has recently joined the company as a non-executive director. He is



Technica directors (l to r): Mark Pyman, David Slater, Professor Lees, Philip Comer, Miles Seaman and Tony Cox: first year's income is three times their most optimistic forecast

the author of “Loss prevention in the process industries,” a standard work of reference for hazard assessment specialists. It is hoped that he will help the company maintain contact with the academic world as well as act as a “technical auditor.”

Management responsibilities come on top of normal work and are divided between the directors. Company secretary is Philip Comer, otherwise an expert on air pollution. Dr Mark Pyman, the youngest director, handles the financial side. Miles Seaman, who at one time worked for the petrochemicals division of ICI, looks after commercial aspects. Dr Tony Cox is the technical director and is also responsible for development.

A monthly management meeting analyses forecasts and performance. (ICFC only asks for

quarterly reports.) Otherwise the directors are rarely all in the office at the same time.

Comer describes the management style as almost a co-operative and Dr Slater, despite his role as managing director, is always careful to point out that his opinion is only one of several.

### Expansion

Now into its second year Technica has just taken up a lease on more office space, just down the street from its London office. This expansion also provides space for a small computer, the purchase of which has saved several thousand pounds a month by not using a computer bureau.

This month the directors are meeting to decide on whether to open an office in Aberdeen,

especially to cope with North Sea work.

Dr Cox jokes that if they had correctly predicted the workload, they might have gone for 15 directors and twice the start-up capital. At present, apart from the directors' own input of capital and ICFC's, there is an overdraft facility for £30,000 at Barclays Bank.

The five directors are hardly reading on their laurels. They regularly work into the evening and at least part of the weekend.

But they do have a certain smugness at the success of their efforts. Dr Cox recalls that one of the main clearing banks, approached at the beginning for an overdraft facility, rejected their forecasts. The bank later wrote asking whether it could use the documents internally for purposes of training.

A CONVERTED pub called the Horse and Groom Small Business Centre at Cheltenham; the Bristol-based New Work Trust, and the Taunton Deane Small Business Forum, are just three of the 50 to 60 organisations which small businesses and those starting for the first time can get in touch with in the South West of England. Similar numbers could be found in other parts of the country. Names, addresses and contacts inside many of these organisations have recently been listed in a new series of directories published by the Department of Industry in an effort to improve communications and

cooperation between the Department and the many sources of locally based advice for small firms.

Over the last nine months John MacGregor, the Industry Minister with responsibility for small business, has chaired a number of conferences round the country which were attended by enterprise agencies, small firms advisory groups and their ilk.

Given the explosion of interest in small businesses over the last two to three years,

fuelled by the many Government measures designed to encourage them, there has been considerable concern that the growth of both public and private sector advisory agencies has got out of control. Some observers feel that the result has been to confuse those whom it has been intended to help.

The clear view from the conferences however, was that any form of central direction or over-organisation should be avoided. This delegates argued, could stifle local initiative and

self help which are important to the success of their organisations.

There was, nevertheless, a feeling that more could be done to improve the flow of information and awareness both of measures to assist small firms and of the organisations in the field.

The DoI has therefore launched two new initiatives. The first is to disseminate more fully through the organisations its small firms “factsheets”, which provide details on topics

The idea is that small firms organisations can either photocopy them and send them off to clients or use snippets of information for their own news-sheets.

The other initiative has been to produce regional directories. The DoI points out that these will be updated “from time to time” suggesting perhaps that it does not expect the growth of advisory organisations to slow down for the moment.

Copies both of the factsheets and the new directories can be obtained from DoI regional offices.

Tim Dickson

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All IBA Regions as London except at the following times: ANGLIA, BORDER, CENTRAL, CHANNEL, RADIO 1, RADIO 2, RADIO 3, RADIO 4.

6.00 Channel Report, 6.15 Strongly, 6.30 Private Benjamin, 7.30 Simon and Simon...

9.30 am Sesame Street, 9.50 Sesame Street, 10.00 Project U.F.O.

Re Civica Investments Ltd and Others (FT, June 8). The five-year period of disqualification from directorship of a company for a person who fails to meet the requirements...

Mr Justice Staughton settled two questions in favour of the plaintiff shipowners in this case: firstly, he decided that when a charterparty provided for a stipulated period '45 days more or less'...

Mr Justice Hobhouse refused to accept that a 'passenger' under a charterparty governing the importation of aircraft into the UK should be defined as a fare-paying passenger...

The federation lost its appeal in the Appeal Court against Mr Justice Mustill's finding that Spanish law was the proper law of a special agreement between the firm was down in the plane on a single journey within the UK.

The House of Lords allowed the appeal against the decision of the Appeal Court which held that the House of Lords should not be bound by the decision of the Appeal Court...

When equipment was stolen from a ship by a crew of knife-carving thieves, who threatened to make good their escape, this could not be defined as 'piracy'...

regulations specified that it would not be used to carry any passengers. The regulations were breached when an employee of the firm was down in the plane on a single journey within the UK.

After a building, owned by Rest Property, had been considered damaged by building operations carried on by Littlewoods, it was transferred to GUS, a wholly-owned subsidiary of the parent company.

When equipment was stolen from a ship by a crew of knife-carving thieves, who threatened to make good their escape, this could not be defined as 'piracy'...

ment intervention. In arbitration proceedings, the Gafsa Board of Appeal found for the buyers in clear and unambiguous terms. Mr Justice Bingham said, however, that it was impossible to establish the basis of the Gafsa Board's decision because of its erroneous process of reasoning.

The Court of Appeal appointed a single arbitrator to settle the two separate arbitrations that arose from a contract and a subcontract for the construction of 20 liquefying tanks on Das Island.

When equipment was stolen from a ship by a crew of knife-carving thieves, who threatened to make good their escape, this could not be defined as 'piracy'...

RACING BY DARE WIGAN

THE "RUBBER" in the competition between British and American jockeys is to be held at Sandown on Wednesday October 20...

RACING

is expected to be made up of Bill Shoemaker, Steve Cauthen, Eddie Delahoussaye and Cash Shummen. Pigott heads the list of UK riders which includes other Derby-winning jockeys in Carson, Eddery and Starkey.

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Tuesday August 24 1982

## IMF ducks a challenge

THE annual report of the International Monetary Fund is a depressing document in more senses than one. It documents, as it must, the deplorable state of the world economy, slipping into more and more inordinate recession, and clearly courted the danger of a retreat into protectionism, and rightly warns against this danger. However, apart from a broad hint that the Fund's own resources should be substantially enlarged in the 1983 quota review, and some calculations designed to persuade people to make more use of SDR-denominated assets in their reserves, it has precious little to suggest by way of remedy.

**Advice**  
To say this is not to suggest in any way that the Fund has the duty or the ability to see solutions to problems that baffle everyone else; its comments on national policies of economic management are exactly what might be expected, and the Fund must feel some satisfaction that between the drafting of its report of the forthcoming Fund meeting, its advice has been followed to such good effect.

President Reagan's willingness to put his prestige behind the effect to reduce the U.S. deficit is certainly one important reason for the latest and welcome fall in interest rates in recent days. A proper balance between fiscal and monetary policies is certainly a less damaging way of achieving disinflation than an excessive reliance on high interest rates. However, it hardly needed the IMF to reach this conclusion. The Bank for International Settlements, and a majority of finance ministers have been saying little else for many months.

Where the report is weak is precisely where one might hope that it would be strong—in commenting on the matters which are its own special concern: the world's foreign exchange regime, and the monitoring and correction of payments imbalances.

This kind of falling is of course endemic among international institutions: they preach generalities not so much because they love the sound of their own voices, but because broad sermons on virtue are much less likely to offend than specific technical suggestions which may offend the prejudices of member governments. However, good technicians given determined leadership should be able to find some

scope for constructive proposals.

### Passive

So far as exchange rates are concerned, the Fund has remained almost entirely passive in the last decade; the collapse of the Bretton Woods system, and the subsequent failure of the Group of 20, had ruled out new worldwide solutions.

However, this need not rule out comment. The Fund staff is better qualified than anyone else to comment on the record issue of intervention, for example—a matter on which the BIS has been willing to give a lead. Are members excessively complacent about huge exchange rate swings? Equally, the Fund might have something useful to say about the appropriate regime for the smaller economies in the turbulent conditions stirred up by the large ones. It simply observes that small economies have become less willing to peg their currencies to any of the major blocs, and that conditions which the Fund staff could best define, this might well be better than the present regime of crisis and capital flight.

The present currency regime, and equally the much greater international mobility of capital, also has profound implications for the rules of good international behaviour, and these are not explored either. The Fund continues to operate as if the current account of the balance of payments still had the central importance it was thought to have under a regime of fixed exchange rates; but the world has changed drastically. Even the facts about current balances are impossible to establish when the IMF's own figures throw up a residual error of no less than \$61bn. In any case stability and recovery might benefit far more from attention to the conditions which impede orderly flows of investment funds than those which tend to push oil importers into deficit.

### Potential

Now that the self-confidence of the world banking community has been so severely shaken, and world currency reserves are shrinking quite largely in consequence of this, the Fund has a more important potential role at the hub of the international settlements system than for many years. It is to be hoped that member countries will encourage its officials to play this role more wholeheartedly than the report suggests they are willing to do at present.

## ... while the South waits

THE IMF's sombre tones will ring particularly loud in the developing world. There cannot be growth but, not merely slowed, it has fallen below population growth for the first time in several decades. Deficits on current accounts have not been eliminated as they should have in the industrialised countries; and inflation, far from falling, is half as high again as it was in 1978.

### Deflation

It does not need the IMF to underline how the three-year economic slowdown in the North has helped to contribute to these troubles. But it is proper that the IMF should stress the effects which deflationary policies in the West have on the farmer of the Sahel, the primary producer of Bangladesh or the small business in Brazil. For recent developments in the world economy mean that the poorer countries find they have to run increasingly fast to stay in the same place on the treadmill. They increased the volume of their exports by 18 per cent between 1979 and 1981, but have seen commodity prices fall to the lowest level for 35 years. Increased interest payments and oil deficits are costing them \$60bn extra per year. It is scarcely surprising that many have trouble in servicing their debts.

Recently it has been the problems of oil producers such as Mexico and Nigeria which have attracted attention. These have grave implications. But equally serious, if less novel, are those of the rest of the South. Few, if any, of these countries have the social services of the North to cushion the effects on society of the increased unemployment seen in recent years. Tens of millions are already living at or below the breadline. Further, the absence of healthy Third World markets could deprive the industrialised world of up to half the export growth which it is looking for in the next decade.

At the bottom end of the scale, at least 40 countries will continue to rely entirely on official aid to develop their human and physical resources, according

to World Bank forecasts. It is essential that developed countries do what they can to bolster aid—in stark contrast to London and Washington's recent examples. In addition they should heed the World Bank's recent stress on the need to assist third world agriculture. Success in the agricultural field has been shown to help stimulate the whole economy. Only last week the British Government was stressing how its aid programme continued to give more weight to "commercial, industrial and political considerations."

As Jacques De Larosiere, managing director of the IMF, has recently been emphasising, an increase in concessional aid is, in present conditions, more than ever a necessity. His appeals are very much a cry from the heart. One of the Fund's commitments this year is that an increasing number of developing countries is unable to meet the terms attached to IMF lending. As of April 30 this year more than one-third of the SDR 11.2bn (\$12.3bn) of undrawn balances of commitments made by the IMF could not be drawn by the countries concerned. Their failure to meet the conditions established with the IMF had rendered the programmes "inoperative."

### Failure

The arguments over IMF conditionality are almost as old as the IMF itself, but they become increasingly important as the fund plays a growing role in tackling Third World deficits and as most of the IMF's advances have conditions attached to them. Between 1978-80 the bulk of IMF lending had few or no conditions attached.

Insisting on fiscal and monetary austerity throughout the world cannot eliminate all countries' current account deficits, but only redistribute them—as well as ensure that the IMF contributes to the very world recession which it most fears. The IMF report fails to tackle this issue and only talks of technical assistance to make its programmes more successful. It is a theme that the IMF ought to tackle.

## LEBANON AND ISRAEL

# Mr Begin finds himself in a political quagmire

By Patrick Cockburn in Jerusalem

"WE HAVE caught a bear by the tail and we cannot let go," said an Israeli official last week, reflecting on Israel's ten-week-old campaign in Lebanon.

The Palestine Liberation Organisation's departure from Beirut pleases them, but the Israelis are increasingly concerned about how they will fare from now on in the Lebanese political quagmire. Perhaps the stridency of the tones in which Cabinet Ministers claim that Israel has won a major victory betrays this unease. It is proving frustrating and difficult to turn massive military superiority into a clear-cut political victory.

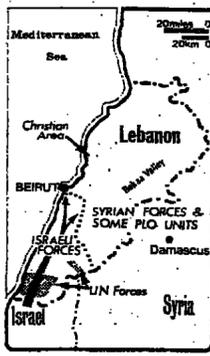
It has been a messy war from the beginning. Initial limitations on Israel's advance were soon abandoned, but the long-term objectives of Mr Menachem Begin, the Israeli Prime Minister, were never clear. Taking advantage of the confusion, General Ariel Sharon, the Israeli Defence Minister, made most of the running and pushed his tank columns north to cut off West Beirut, only afterwards seeking Cabinet approval.

Israeli policy is still elusive. The Cabinet cannot make up its mind whether to use the same mixture of diplomacy and military force against the Syrians as it used against the PLO. This will be the critical question in the next few weeks. It is also unclear how Mr Begin will handle the U.S. demand for real autonomy for the West Bank Palestinians, which is to be the centrepiece of the new U.S. peace initiative.

Even the departure of the PLO, the one concrete Israeli achievement of the war, could turn out to be a pyrrhic victory. The PLO is essentially a political organisation. Militarily it was far too small ever to pose a serious threat to Israel. General Sharon says the PLO has suffered "an unparalleled defeat" and is trying to popularise the word "expulsion" rather than "evacuation" to describe the PLO pull-out.

Clearly, the PLO has been hit. It will find it more difficult to operate away from the political freedom of Beirut, particularly as its new headquarters are likely to be well off the beaten track in Tunisia. On the other hand, the organisation has made tremendous political gains over the past two months. Its prestige in the Arab world has never been higher. There is no evidence that it has been struck a fatal blow.

For Mr Begin, the length of time it has taken to winkle the PLO out of West Beirut, and the pictures of its destruction, have had the disadvantage of focusing world attention on the Palestinian issue. Washington has made a more serious com-



Graham Leaver

participate in negotiations on this basis, the "window of opportunity" for peace in the Middle East seems to be something of a mirage.

Israel is also likely to clash with Washington over the future of Lebanon. Jerusalem has yet to decide how far it really wants to keep its present position as the predominant power in the country. Mr Begin says he will withdraw just as soon as the Syrians pull out their 30,000 troops and 7,000 PLO from the Bekaa Valley—the back door to Damascus—and Northern Lebanon.

Over the past week, however, President Hafez al-Assad of Syria has been reintroducing his armoured brigades in the Bekaa and the heights overlooking them and will probably fight rather than withdraw. Gen Sharon has always wanted to throw the Syrians out of Lebanon and, if possible, bring their army into battle and destroy it. Militarily, Israel is strong enough to do this and the Syrian leadership knows it. In a few days of fighting in June, the Syrians suffered heavy casualties and all their anti-aircraft missile batteries in the Bekaa Valley were wiped out by Israeli bombers. They had no strategic reserves left to commit to Lebanon, without including their divisions covering the Golan and Damascus.

No doubt Gen Sharon would like to unleash his tanks and infantry against the Syrian forces in Lebanon. Over the past few days officials in Jerusalem have warned that they hold Syria responsible for the piprnick attacks by PLO commando squads operating from behind Syrian lines. But ever since Gen Sharon was forced to call off the bombardment of Beirut under pressure from the U.S. and his own Cabinet col-

mitment than ever before to seek to change Israeli policy on the West Bank and Gaza Strip. Over the weekend, Mr Begin and his government were already beginning to take a defensive position, stressing that they would not move from their own narrow interpretation of the Camp David accords.

For Mr Begin and most of his Cabinet, there is no room for compromise. The retention of the West Bank (referred to by the Government as Judea and Samaria) is a matter of theological principle. The failure of the last two U.S. administrations to restrain Israeli policy on the West Bank makes it all the more difficult to extract any concessions from Mr Begin today.

Washington would also be in a stronger position if it had protested more vigorously over the annexation of the Golan Heights last December, or the dismissal from office of such moderate figures as Mr Rashid Shawa, the Mayor of Gaza. Meanwhile Israel's stance is likely to doom any American hope that a more malleable Palestinian leadership, separate from the PLO, will develop on the West Bank.

"Israel has no intention of surrendering Judea or Samaria to Palestinian rule, or to that of Jordan," wrote a Sharon supporter recently. "The Government fully intends to extend Israeli law to the territories (of the West Bank and Gaza) for which the Golan Law was a trial balloon, and, when convenient, complete Israeli sovereignty." (The Golan Law was the one under which Israel annexed the Golan Heights.)

The most Mr Begin and his Cabinet would concede is probably some form of largely cosmetic autonomy in the form of a Palestinian Bantustan. Since no Arab state could par-



It is unclear how Mr Begin (right) will handle the Reagan demand for real autonomy for the West Bank Palestinians



PLO fighters hold up a picture of Yasser Arafat as they arrive at Larnaca, Cyprus, from Beirut, before being flown to Jordan and Iraq

leagues, his capacity to use the military option has been constrained. He needs Mr Begin's support. For the moment, he does not have it.

There is also little enthusiasm in Israel for a renewal of full-scale war. Reservists still in the armed forces have been promised that they will be demobilised as soon as the PLO evacuation from Beirut is complete. A head-on fight with the Syrians would also involve heavier casualties than the 333 Israelis killed in the past 10 weeks.

Gen Sharon's frustration stems from the fact that as long as the Syrians retain one-third of Lebanon, they can prevent Israel imposing its own settlement. Jerusalem's own trump card is its military superiority. If the Syrians and the various political factions in Lebanon cease to believe that Israel will go to war, then the Israelis will simply become one more participant, though the most powerful one, in the complex and violent world of Lebanese politics.

This has traditionally been divided into 15 different sects or officially recognised religious

communities and the divisions—between the Christian and Muslim communities and within the two—can be fierce. For example, the difference between the Maronite Christians and the Greek Orthodox, or the Sunni and Shi'ite Muslims, can be very sharp. However, none of the Lebanese parties which initially welcomed the Israeli tanks with flowers have any wish to become Israeli satraps under the control of Jerusalem.

The problem is that, even if the Syrians and Israelis were persuaded to withdraw, they would not leave behind an independent Lebanon with an executive willing and able to exercise sovereignty over the country. With their departure, a political vacuum would be created. Although the Christians like to blame all the woes of Lebanon on the Palestinians, the PLO was much more the catalyst than the underlying cause of the 1975-76 civil war. Mr Bashir Gemayel, the most powerful Christian leader, has succeeded in creating a well-ordered miniature state with its capital in East Beirut, but his election as President yesterday will lead to "hitter opposition" from Lebanon's Muslim majority.

For the moment, however, the most likely outcome in Lebanon is an uneasy quasi-partition in which the Syrians remain in the Bekaa and the Israelis hold the south of the country. This will be an unsatisfactory compromise. The two sides are too close to each other for the threat of war ever to be far away. Both sides have allies among Lebanon's various factions who will naturally come into conflict.

So, even if Israel wanted to pull out of Lebanon, it would be difficult to make a clean break. It is this which worries the more moderate Israeli politicians and newspapers. Arguing that the Israeli army must leave Lebanon as quickly as possible, the independent daily Haaretz, warned last week that "at the extreme right wing monthly for Gen Sharon to try to finish the job which he started in June.

## Men & Matters

### Port ahead

Churchill College, Cambridge, should provide a suitable congenial environment for Sir Hermann Bondi, chairman of the Natural Environment Research Council, when he takes up his appointment as Master in August next year. His pride in the pursuit of technology, energy conservation and the use of natural resources to enhance the quality of life is neatly summed up in the port railway which circles the Master's mahogany dining table.

Bequeathed, with many other aids to gracious living, by Brendan Bracken, the mahogany track is laid after dinner to facilitate the free circulation of a coaster bearing two or three decanters.

Bondi's appointment is a fitting accolade to a scientist who spent from distinguished work for Britain as the government's chief adviser on defence, energy and space research, has been one of the Western world's brightest academic stars.

Currently professor of mathematics at King's College, London, he has held posts at the universities of Cambridge, Oxford, Cornell and Harvard, since leaving his native Vienna in 1937.

Bondi intends, however, to see out his full term as chairman of the NERC which does not expire until September 1984. During the year's overlap, it is the NERC which will be given overriding priority, he says.

### Port ahead

They have now been upgraded by Major General Jeremy Moore, commander of the British Land Forces in the Falklands. The 54-year-old general who had reached the top of his chosen profession and was expecting retirement shortly is to be kept on for six months as super-PR man with the Ministry of Defence.

He is to join a special team set up by chief of defence staff, Admiral of the Fleet Sir Terence Lewin.

The two doughy fighters will spearhead Whitehall's response to urgent calls from service chiefs in many countries to give briefings on British tactics during the Falklands campaign.

The much-maligned ministry men denied yesterday that Moore's real job will be to relate "how we won the war". Rather, they are saying, he will be explaining to service chiefs of other friendly nations the lessons to be drawn from a short sharp campaign in the South Atlantic.

The Pentagon and the staff college in Australia are likely ports of call for the Falklands marketing team.

### Scots' aid

What the Foreign Office hopes will be the first of many a civil helping hand in Third World countries is being extended by Glasgow district council.

Economist Dr Michael Kelly, the city's Lord Provost, announced yesterday that the council is to help Uganda begin the restructuring of public services, ruined by Idi Amin's eight-year reign. James Moffat, a chief accountant in the council's finance department, and Seamus McDavid, a chartered accountant

and senior lecturer at Glasgow College of Technology, will go to Kampala later this year to examine what is left of the public finance system and advise on its reorganisation.

The scheme will fulfil a personal ambition that Kelly has held since he became Lord Provost two years ago. "I have been conscious for many years of the desperate need in African and other countries for the pool of knowledge and skills available in cities like Glasgow and for the past two years I have been trying to find a way to apply that knowledge in some practical scheme," he says.

His enterprise has been warmly welcomed by James Aitken, also Glasgow-born, who is the Overseas Development official responsible for co-ordinating and managing British aid to Uganda and Kenya. "I hope other cities in Scotland will follow the example," Aitken says. "There are so many things in which places like Uganda need help—health care, housing, training in engineering, building roads, bridges and airports, water supply and refuse disposal."

The Vth Form driving lessons will begin in September. Three boys and girls will be taken on each lesson, and each will spend 20 minutes driving under instruction and 40 minutes in the back gaining experience—from a Sussex school magazine.

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Combines precision with the ruggedness needed to operate in extreme environments.

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*Observer*

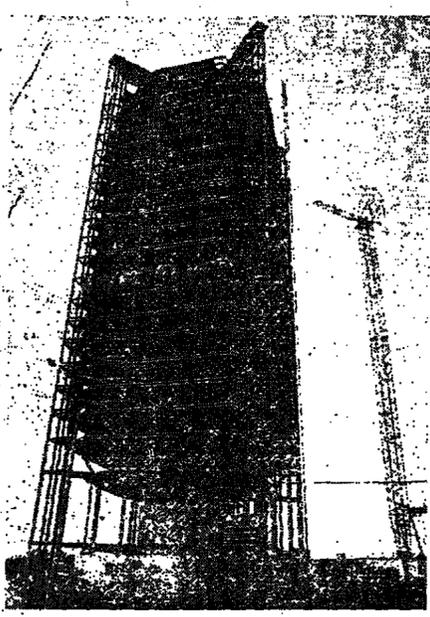
PENN SQUARE'S COLLAPSE

The bank that grew too fast

By Paul Taylor, recently in Oklahoma City

THE SLOGAN on the sweat-shirts worn by the Penn Square Bank's women's softball team... which is still playing six weeks after the Oklahoma City bank's ultimate demise...

Oklahoma City. According to others who had worked at the bank Mr Patterson had been an undistinguished junior executive whose principal job was "making goodwill calls to customers, thanking them for their business."



The party-built Pennbank Tower in Oklahoma City

receive a "finder's fee" from the participating bank and it also enabled Penn Square to satisfy its customers' requirements despite the bank's relatively low lending limit. The participating banks enabled the correspondent banks—some of whom have already been forced to write off millions of dollars in loans as a result of Penn Square's collapses—to buy energy loans into their portfolios with relative ease.

appeared at work dressed in a Tyrolean outfit complete with plumed hat and lederhosen. He is also said to have adopted other forms of head gear including one occasion a Mickey Mouse mask and on another a Batman mask with ears that "wiggled."

Lombard

Tories now must face the real electoral issues

By Peter Riddell

THE FALKLANDS SPIRIT is evaporating quickly in Britain. Only two months after the recapture of Port Stanley, all the signs are that the British public is concentrating again on familiar domestic concerns. That must be worrying news for the Conservative Party.

Falklands

The Falklands factor has not, however, totally disappeared. The surveys suggest that the electorate took rather a detached view of the episode, strongly supporting the Government's action as right and necessary when it occurred, but afterwards putting the Falklands in perspective in relation to other, more immediate problems.

Pessimists

The electorate has become much gloomier about the economic outlook for the next 12 months. In June, the percentage of optimists was greater than that of pessimists by eight points. By July, the percentage of pessimists was greater by 17.

Letters to the Editor

Employee participation and the Common Market

From Jane Welch Sir, Neil Hamilton (August 6) should know better than to seek to justify opposition to employee participation by selective quotations from the Treaty of Rome and the case law of the Court of Justice.

right of establishment. The last does not simply mean the abolition of nationality-based restrictions, but also the harmonisation of domestic requirements to ensure the effective exercise of the right of establishment. The first has been achieved; the need for the second remains. In simple terms harmonisation can be seen as the quid pro quo for freedom of establishment. When the treaty was drafted, the member states were only prepared to abolish the restrictions they traditionally imposed on foreign companies if they had a guarantee that these companies would be made to comply with minimum standards in respect of shareholders, employees and creditors.

Help for small businesses

From Mr E. Babouline Sir, Most of what one has read in the last year or two about helping the small business savours very much of offering a straw to a drowning man. There are two simple measures required to save hundreds of bankruptcies, with a clear net gain to the Revenue.

Disturbed by forecasts From the Chairman, North West Region, Confederation of British Industry Sir, Mr John Wakeham, Minister of State for the Treasury with special responsibility for industrial matters is understandably disturbed (August 20) by the economic forecasts of the CBI.

high government-induced costs to industry and high government spending and given private industry a burden that has often been too great to bear. Most CBI members believe that a healthy manufacturing sector is crucial to Britain in order to allow us to reverse the adverse trade in the balance of payments. Oil revenue apart, we export too little and import too much.

option in the rights of commercial exploitation of patents produced by MRC staff to the British biotechnology company Celltech (a "monopoly position"), and the British Technology Group retains a monopoly right to the first refusal of patent rights arising out of work supported by the research councils, seem clear cases for referral to the Director General of Fair Trading under his powers under the Competition Act relating to "anti-competitive practices," which are courses of conduct that tend to restrict, distort or prevent competition.

THE FACTS OF NEFAX Simple truths about the time and money-saving facsimile from NEC. NEFAX IS FASTER. NEFAX IS FAR MORE EFFICIENT. NEFAX IS CHEAPER. NEFAX IS NO.1 IN EUROPE. Includes image of the NEFAX-3500 machine and contact information for NEC.

UK COMPANY NEWS

Companies and Markets

Mountleigh expands to £0.65m and pays more

HIGHER pre-tax profits are shown by Mountleigh Group from £375,000 to £647,000 for the year to April 30, 1982.

Mr. E. Hall, chairman, says that he expects group profits to improve again in 1982/83.

The directors state that the phasing out of textile activities was adversely affected by the failure of the company acquiring these interests.

Pre-tax profits were made up of property developments plus rentals which rose from £365,000 to £708,000.

There was again no tax charges. Extraordinary debits this time amounted to £29,000.

CHAMBERLAIN

In view of the current state of the economy the first quarter results of Chamberlain Phycaps were satisfactory.

Has therefore remained hopeful of reporting, in November, an acceptable profit for the first half year, he said.

Hollis Bros £4.58m in loss year end

AFTER TAKING account of lower interest charges of £1.55m, compared with £2.16m, full year losses of Hollis Bros. and ESA were slightly reduced.

Turnover for the 12 months to March 31 1982 dropped sharply from £45.89m to £31.81m—the group is a holding company with interests in timber importing, sawmilling and flooring contracting.

First-half losses expanded from last year's £1.37m to £2.5m. In his interim report new chairman Mr R. J. Rimington said that the reduction in the size of the group and the curtailing of operating costs suggested that trading over the second six months would result in a much-reduced loss.

William Nash returns to profits

A return to pre-tax profits has been produced by William Nash, specialist paper maker, for the first 26 weeks to June 26 1982.

The directors of this close company state that the second quarter showed an upturn in trading which, however, is not expected to be maintained in the second half.

In the last full year group losses before tax amounted to £188,888 (profit £100,631) on turnover of £9.55m (£12m).

On a current cost basis attributable profits were given as £87,000 (loss £253,000).

INCHCAPE BERHAD

The directors of Inchcape subsidiary Inchcape Berhad have announced that approval by the relevant government authorities in Malaysia has been obtained for the sale of all its shares.

Isis Industrial Services exceeds placing forecast by £41,000

UNQUOTED ENGINEERING group Isis Industrial Services has exceeded by £41,000 its forecast—made in January at the time of its placing on the market.

The Greenham Fork Lift business acquired on December 31 is now fully integrated with the group's other activities and an improved performance is hoped for this year.

Isis International has been formed to procure building materials for overseas markets and it is anticipated that profits will benefit accordingly.

During the year under review construction and related activities achieved record results. Mr Park says, showing pre-tax profits of £703,000 on turnover of £12m.

£203,000. Hopes of a recovery in the spring of 1982 when an increased level of activity was seen have not been maintained in recent months.

The purchase consideration of £2.25m was exceeded by £41,000 in excess of the £2.25m forecast, a placing of £2.4m convertible preference shares with 12 leading institutions and an issue of £200,000 ordinary shares to the executive directors.

£5.5m. The purchase consideration and related expenses were financed by a £2.3m term loan from Lloyds Bank, a placing of £2.4m convertible preference shares with 12 leading institutions and an issue of £200,000 ordinary shares to the executive directors.

No dividends will be paid on ordinary shares in respect of any financial year ending on or before March 31, 1984.

The first dividend was paid to convertible preference shareholders on July 1, 1982, amounting to £132,000 net, or 5.5p per share.

Mr Edward Howard, the chairman of LRC International, tells members of his annual statement that the first quarter of the current year has started well with both sales and profits ahead of those for the previous year.

Demand up during first two months at Unitech

THE CURRENT year has started well at Unitech, says Mr P. A. M. Curry, chairman, in his annual statement.

As reported on August 4, this electronic components and equipment manufacturer, made lower taxable profits in the year to May 29, 1982, of £3.78m compared with £4.27m, even though sales advanced from £26.96m to £29.42m.

At the year end shareholders fund came to £26.14m (£24.35m) and fixed assets were shown at £9.06m (£7.6m). Net current assets emerged at £15.33m (£16.33m) including bank overdrafts of £2.98m (£2.77m).

During the year there was a decrease in working capital of £1.43m (£307,000) including a decrease in net liquid funds of £2.77m (£1.73m increase).

During the year there was a decrease in working capital of £1.43m (£307,000) including a decrease in net liquid funds of £2.77m (£1.73m increase).

Meeting: Great Eastern Hotel, EC, September 17, noon.

Confidence at Mitchell Somers

Despite the recession in the US, and there being no sign of the predicted recovery in the UK, the directors of Mitchell Somers are confident that the group's "dedicated team" will continue its efforts to make the shareholders' assets work profitably.

As reported on July 14, this group whose activities include heavy forging, precision engineering, diecasting and distribution, boosted taxable profits from £468,000 to £2.23m in the year to April 5 1982, on turnover of £38.5m (£39.93m).

The net total dividend per 10p share is being raised from 2.25p to 3.25p with a final of 1.75p, while stated earnings per share jumped from 2.8p to 9.8p.

Meeting: Painters' Hall, EC, September 16, noon.

May & Hassell foresees end to losses

Turnover at timber importer May & Hassell, which in July was said to be running 25 per cent higher than in the previous year, has now started to level out.

"I do not wish to be over-optimistic, bearing in mind the unpredictable events of last year. I do feel, however, that the year we are in should see the elimination of the losses which have afflicted us for the last two years," he said.

Global Video Supplies in receivership

Joint receivers have been appointed to Global Video Supplies at the request of its directors. Global is the widely wholesaling subsidiary of United Electronic Holdings (UEH).

UEH's investment in Global consists of £82,500 in respect of share capital and outstanding loans of £50,000 for which there may have to be some provision.

ALLIED IRISH CONVERSION

Allied Irish Banks says that in the sixth conversion period ended July 31, 1982, 285 holders of stock exercised the right to convert holdings totalling £281,616 of 10 per cent convertible unsecured subordinated loan stock 1985 into fully paid ordinary shares of 25p of the company.

THE TRING HALL USM INDEX

127.6 (-0.4)
Close of business 23/8/82
Tel: 01-638 1581
BASE DATE 10/11/80 100

Blagden Industries increases interim profits to £1.03m

INCREASED pre-tax profits have been made by Blagden Industries from £928,000 to £1,030,000 for the 26 weeks to June 27, 1982.

As reported on August 4, this electronic components and equipment manufacturer, made lower taxable profits in the year to May 29, 1982, of £3.78m compared with £4.27m, even though sales advanced from £26.96m to £29.42m.

Blagden's second half will be no better than the first and the underlying profit, limited at more than once over the past year or so, looks more remote than ever.

Question-marks also hang over the future of the group's co-operations in Scotland.

As reported on July 14, this group whose activities include heavy forging, precision engineering, diecasting and distribution, boosted taxable profits from £468,000 to £2.23m in the year to April 5 1982, on turnover of £38.5m (£39.93m).

The net total dividend per 10p share is being raised from 2.25p to 3.25p with a final of 1.75p, while stated earnings per share jumped from 2.8p to 9.8p.

McKAY SECURITIES PLC
PRELIMINARY ANNOUNCEMENT
Group Results for the Year Ending 31st March, 1982

S.O.F. (PROPRIETARY) LIMITED
7 3/4% DM-Bonds of 1978/1982
Private Placement
Repayment on October 1, 1982

Private Investment Company for Asia (PICA) S.A.
US\$20,000,000
Floating Rate Notes 1986
CORRECTION TO NOTICE PUBLISHED 11th AUGUST 1982

M. J. H. Nightingale & Co. Limited
1981-82
High Low Company Price Change Div. (p) % Actual Yield Fully

King & Shaxson
LADBROKE INDEX
574-879 (-6)

GREATERMANS STORES LIMITED

PRELIMINARY STATEMENT
Results
The unaudited results for the year ended 30th June 1982 are set out below.

Table with 2 columns: 1982 (R'000) and 1981 (R'000). Rows include Turnover of continuing operations, Turnover of discontinued operations, Loss (1981 : profit) from continuing operations, etc.

Notes: 1. "Discontinued operations" comprise those of the Ackermans chain, sold in November 1981, and of the Bloemfontein, Claremont, Durban, Johannesburg Central and Parow Department Stores.

DIVIDENDS ANNOUNCED

Table with 5 columns: Company, Current payment, Date of payment, Correlation, Total payment. Rows include Blagden Inds., Lon. & St. Lawrence Int., Mountleigh G., W. N. Sharpe Bldgs. Int., Worthington (A. J.).

BASE LENDING RATES

Table with 2 columns: Company, Rate. Rows include A.R.N. Bank, Allied Irish Bank, Amro Bank, Henry Amsbacher, etc.

Notes: Your Directors believe that future results will reflect that the action taken over the past six months has laid the foundation for the recovery of the Group, and for growth in the future.

مركز الأعمال

Companies and Markets

UK COMPANY NEWS

MINING NEWS

Tin export curbs force MMC dredge closures

By Kenneth Marston, Mining Editor

In mid-June the Saturday mining group... curbs were placed on world tin production...

Malaysia's biggest tin mining group, Malaysia Mining Corporation (MMC), has announced that it is having to shut down 12 of its 33 dredges...

Although the International Tin Council has imposed a 36 per cent cutback in exports for the July-September quarter...

They are given quotas amounting to as much as a 50 per cent cutback in their normal production...

MMC, which accounts for 25 per cent of Malaysia's tin output of 29,000 tonnes last year...

MMC said its subsidiaries had been allocated a production quota of 1,025 tonnes of tin concentrates...

MMC said its subsidiaries had been allocated a production quota of 1,025 tonnes of tin concentrates for the July-September quarter...

MMC is 56 per cent-owned by Permodalan Nasional, the Malaysian Government investment agency...

A Primary Industries Ministry official has estimated that as many as 5,000 out of the 35,000 jobs in the country's tin mining industry could be lost...

The cutbacks have also hit Malaysia's tin smelters. Datuk Keramat and Malaysia Smelting Corporation (MSC)...

Midway downturn for W. Sharpe

FIRST HALF taxable profits of W. Sharpe Holdings declined marginally from last year's £2.61m to £2.48m...

Trade is a dominant factor for the group. They add that since the slow beginning to the year's trading...

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange...

TODAY: Interim-American Trust, Barrow Eves, Chlorochem Petroleum, De Beers Consolidated Mines...

FUTURE DATES: Interim-... Sept 9, Carlton Industries, Sept 10, Cement-Roadstone, Sept 8...

Reject rebel proposals- Alliance & Dublin Gas

SHAREHOLDERS of Alliance and Dublin Gas Companies are being urged to reject resolutions put up by a rebel group...

RESULTS IN BRIEF

CAVENHAM (food retailer) - Results for year to April 3 1982...

GMS improves by 17.4% after first six months

FOR THE six months to June 30 1982, profits at GMS rose by 17.4 per cent to £147,006 on turnover of £700,781...

Worthington holds loss at £95,000

Same-again taxable losses of £95,000 were returned by A. J. Worthington (Holdings) for the year ended March 31 1982...

News from the Philippines

NET INCOME of Apex Mining, a medium-size Philippine gold producer, slumped by 30 per cent...

Mary Kathleen boosts six months earnings

HAVING a final fling as it nears the end of its mining life, Rio Tinto-Zinc group's Australian Mary Kathleen Uranium has boosted half-year earnings...

Production for the past half year was a record 305 tonnes of yellowcake. The directors attribute it to a concerted effort...

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, Vol., Last, Vol., Last, Stock. Lists various options for Gold, Silver, etc.

COMPANY NOTICES

THE RANDFONTEIN-ESTATE-GOLD MINING COMPANY, WITWATERSRAND, LIMITED... ON SHARE WARRANTS TO BEARER.

THE COUNCIL OF EUROPE RESETTLEMENT FUND FOR NATIONAL REFUGEES AND OVER-POPULATION IN EUROPE

REPUBLIC OF ICELAND 8 1/2% 1973/1988... NOTICE IS HEREBY GIVEN to Beneficiaries of the above loan...

LEGAL NOTICES: NOTICE OF MEETING OF CREDITORS GALVATECHNA LIMITED

PERSONAL: EXCLUSIVE VIDEO CLUB - VHS, Etc. Etc.

CONTRACTS & TENDERS: ALGERIAN PEOPLE'S DEMOCRATIC REPUBLIC... NATIONAL DRILLING COMPANY

The Great Northern Telegraph Company's Holding Company Limited... RIGHTS ISSUE

Redland

Audited results for the year ended 27th March 1982. Table comparing March 1982 and March 1981: Turnover (572.13 vs 515.17), Profit before tax (43.51 vs 46.76), Earnings per share (16.02p vs 15.93p), Dividends per share (net) (7.34p vs 7.34p)

Extract from the 1982 Annual Report & Accounts: The merger with Cawoods Holdings Ltd "provides in its fuel distribution business the sought after fourth major activity... strengthening the financial base of the combined businesses to support the next phase of our international expansion... I am confident that it will prove to be a most important milestone in the progress of our Company."

BRITANNIA INTERNATIONAL FINANCE LIMITED... PIONEER ELECTRONIC CORPORATION

PERSONAL: EXCLUSIVE VIDEO CLUB - VHS, Etc. Etc.

# Anglo American Industrial Corporation Limited

(Incorporated in the Republic of South Africa)

### INTERIM REPORT FOR THE SIX MONTHS ENDED JUNE 30 1982

The following are the unaudited results of the corporation and its subsidiaries for the six months ended June 30 1982, together with the corresponding figures for the six months ended June 30 1981 and the year ended December 31 1981. These should be read in conjunction with the notes below.

	Six months ended 1982 R millions	Six months ended 1981 R millions	Year ended 1981 R millions
Turnover	884.8	560.0	1 224.3
Net trading profit	151.6	111.2	239.6
Deduct:			
Interest paid	32.1	11.8	34.1
Taxation	40.2	35.8	68.2
Income from associated companies	75.2	63.8	137.3
Dividends	59.1	27.2	59.0
Share in retained profits	36.7	3.8	19.3
Income from investments	19.4	17.6	39.7
Profit after taxation	141.8	94.7	204.3
Deduct:			
Minority shareholders' interest in profits of subsidiary companies	37.6	12.2	25.6
Preference dividends	37.0	12.2	25.6
Profit attributable to ordinary shareholders	104.2	82.5	178.7
Capital commitments	796.0	179.4	789.7
Number of ordinary shares in issue	45 676 782	26 972 547	26 972 547
Earnings per ordinary share	2.3	3.1	6.6
Dividends per ordinary share	35.0	35.0	115.0

- Notes:
- The number of ordinary shares in issue included 849 164 shares in this corporation held by De Beers Industrial Corporation Limited (Debiincor). Earnings per share for the period under review have been calculated after excluding these shares.
  - With effect from January 1 1982 Debiincor became a wholly-owned subsidiary and the corporation acquired certain other industrial interests. Consequently the results for the period under review are not comparable with those of the corresponding period last year or with those of the 1981 financial year. Pursuant to these arrangements the corporation allotted and issued during January 1982:
    - 18 704 235 new ordinary shares of R1 each;
    - options to subscribe for 2 530 743 new ordinary shares during the period May/June in each of the years 1982/1987 at prices ranging from 3 500 to 4 500 cents per share. No options were exercised during the period under review;
    - 1 000 000 5.625 per cent cumulative first preference shares of R2 each; and
    - 15 000 000 12.375 per cent cumulative redeemable second preference shares of R1 each.
  - Although the normal tax rate has increased from 42 per cent to 48.2 per cent, no material increase was required in the provision for deferred tax in respect of past years because the principal operating subsidiaries concerned use the deferred method of calculating deferred taxation.
  - The merger of Huletts Corporation Limited and The Tongaat Group Limited took effect on April 1 1982. Amic has a 28.2 per cent interest in the enlarged group.
  - The capital commitments of R796.0 million relate mainly to the establishment of a new pulp mill complex at Richards Bay by Mondi Paper Company and to the expansion of the iron and steel works at Highveld Steel and Vanadium Corporation.
  - The corporation is obliged to redeem, at par, one-tenth of the 15 000 000 12.375 per cent cumulative redeemable second preference shares of R1 each, presently in issue, on October 29 1982. A form of surrender together with a copy of a Press announcement relating, inter alia, to this redemption will be posted to each registered holder of these preference shares on or about September 10 1982.

#### COMMENTARY

The results of the group's operating subsidiaries and associated companies have been affected by the downturn in the South African economy and the continuing worldwide recession.

Following the merger with Debiincor and the acquisition of other interests, the group's net trading profit for the six months ended June 30 1982 includes for the first time the profits of Amic's two new subsidiaries, Highveld Steel and Vanadium Corporation and The Natal Tanning Extract Company. Although the net trading profit reflects an improvement of 36.2 per cent over that earned in the first half of 1981, the results are not comparable for the reason set out in Note 2. If the newly acquired subsidiaries are excluded the net trading profits of Amic's other subsidiaries are 4.2 per cent lower than for the first six months of 1981 while their attributable profits, after interest and taxation, have declined by 27 per cent.

The group's profit attributable to ordinary shareholders has also been affected by higher interest charges and the substantial increase in the company tax rate. Earnings per share for the six months have shown a decline of 24 per cent to 2.3 cents per share. However, as contemplated in the merger arrangement, dividend income flowing to Amic, in particular from its associated companies, has increased significantly, and it has therefore been possible to increase the interim dividend by 10.0 per cent to 35.0 cents per share.

The outlook for the industrial sector for the remainder of this year is not encouraging and it is anticipated that the profits of Amic's subsidiaries and associated companies generally will be lower than in the previous financial year. Nevertheless, in the absence of a further significant deterioration in trading conditions, it should be possible to consider an increase in the final dividend in view of the group's strong financial position, while still maintaining a satisfactory dividend cover.

For and on behalf of the board  
G. W. Rolly Directors  
W. G. Boustred

#### ORDINARY DIVIDEND NO. 37

An interim dividend of 35.0 cents per share (1981: 35.0 cents) in respect of the year ending December 31 1982 has been declared payable to ordinary shareholders registered in the books of the corporation at the close of business on September 3 1982.

The ordinary transfer registers and the ordinary section of the register of members will be closed from September 4 to 17 1982, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about October 14 1982. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on September 6 1982 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency provided that any such request is received at the offices of the corporation's transfer secretaries in Johannesburg or the United Kingdom on or before September 3 1982.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the corporation and also at the offices of the corporation's transfer secretaries, Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg 2001 and Charter Consolidated P.L.C., P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

The effective rate for non-resident shareholders' tax is 15 per cent.

By order of the board  
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED  
Secretaries  
per D. M. Davidson  
Registered Office  
44 Main Street  
Johannesburg 2001

London Office  
40 Holborn Viaduct  
London EC1P 1AJ  
August 24 1982



## State Bank of India

State Bank of India announces that its base rate is reduced from 11½% to 11% with effect from August 23 1982

rate of interest payable on ordinary deposits is reduced from 8½% to 8% per annum

Main Office in the U.K.  
State Bank House, 1 Milk Street, London EC2

# Global dissidents' High Court appeal

BY RAY MAUGHAN

THE DISSIDENT faction seeking to replace the board of Global Natural Resources began an appeal in the High Court yesterday against the dismissal of the injunction designed to block Global's equity acquisition of McFarlane Oil. At the same time, the rebel shareholders began an action in the Commercial Court for the same purpose, which as far as the incumbent board understands the position is to show that the proposed acquisition of McFarlane will weight shareholdings against the dissidents at the forthcoming, crucial annual meeting in Jersey. In the London action, which was adjourned yesterday and is likely to last several more days,

counsel for the dissidents, Mr Leonard Hoffman QC, claimed that "the main motive for entering into this transaction (McFarlane) was to gain extra support in the forthcoming contest for election to the company board. The motive for issuing the whole of the unissued shares was to put them in friendly hands with a view to the annual meeting. The annual meeting takes place in the Channel Islands in September. The injunction was dismissed on August 21 but the McFarlane deal was effectively suspended until August 25 to allow the dissidents, orchestrated by the Wall Street brokerage firm, Bear Stearns, time to formulate this appeal.

## Mercantile House applications

More than 1,750 applications have been received for a total of more than 10.4m ordinary shares in Mercantile House. Preferential applications from employees and shareholders of Mercantile House totalling some 2.39m ordinary shares have been allocated in full. The remaining ordinary shares have been allocated on the following basis: 100 shares, 100 shares; 200 shares, 40,000 shares; 50 per cent of the shares applied for, up to a maximum of 60,000 shares; approximately 40.4 per cent of the shares applied for. All applicants will receive an allocation of ordinary shares under the offer for sale.

## HERON CORPORATION IN TWO DEALS

Heron Corporation has acquired Sulkin (UK), a private company engaged in consumer electronic products. The business will complement that of Heron's subsidiary, Intron Electronics, and the two companies will trade together under the name Heron Electronics. At the same time, Heron has sold the watch and clock business of Ingersoll Group to Steven Strauss and Co., a UK watch and clock importer.

## FISHER COMPLETES ACQUISITION

Albert Fisher has completed acquisition of W. H. Copper, a fruit wholesaler operating in the North West London market, Manchester. Consideration of £40,000 has been paid. Net tangible assets of Copper as at May 31 were estimated at about £40,000. Turnover in the year to May 31 was £1.4m, and profit accounts indicate that a marginal loss was incurred.

## SHARE STAKES

English National Investment Company—The principal shareholders of the King's Hall and College of Brazenose, Oxford, as a result of a partial sale, are interested in less than 5 per cent of the preference ordinary shares.

Burtonwood Breweries—Branntice Assurance has sold 85,000 ordinary. It no longer has over 5 per cent of that class of share.

The Narborough (FMS) Rubber Estate—Johore State Economic Corporation has bought 35,000 ordinary shares, increasing holding to 575,000 shares (10.7948 per cent). John Carr (Doncaster)—P. J. Carr, a director, has sold 100,000 ordinary shares. J. Carr has sold 100,000 ordinary shares.

Hudson Petroleum International New—3,744,887 ordinary shares are held by Lazard Bros and Company.

Eva Industries—A subsidiary of Anglo-Indonesian Corporation on August 20 bought 5,000 4.2 per cent preference shares (5.6 per cent).

Trust House Forte—The Kuwait Investment Office, Ministry of Finance, Government of Kuwait holds 22,589 ordinary shares.

Alpine Soft Drinks—S. F. Crews Le Lay, has sold 50,000 ordinary shares. He is now interested in 1.48m shares (14.42 per cent).

Sound Diffusion—Sir Frederick Delve, a director, has disposed of 100,000 ordinary shares, decreasing his holding to 110,094 shares (0.24 per cent).

# UCAT invests in Safe Computing

Venture capital investment trust, United Computer and Technology Holdings, is subscribing for a 21.07 per cent equity holding in Safe Computing at a cost of £140,000 subject to shareholders' agreement. This equity participation is being made in addition to participation by senior management of Safe Computing and two other city investors.

Safe Computing is owned by Mr Philip Rule, chairman, and Chubb and Son. Chubb will dispose of its interest and after the proposed restructuring Mr Rule will hold 48.9 per cent of the equity. At the same time £1m of Safe Computing loans to Chubb will be converted into 500,000 £1 redeemable preference shares and £500,000 secured loan stock 1986-1989 in Safe Computing.

Chubb will keep a seat on the Safe Computing board, to be filled by a Chubb director. Established since 1973, Safe Computing is a software house which sells packages in the UK and overseas. Although Safe Computing traded at a loss in the year to March 31, 1982, indications are that it is now trading profitably.

Agreement has been reached for the sale of the bureau owned by Safe Computing, which enables the company to concentrate activities on its software products, two of which are market leaders, together with its general software and consultancy business.

UCAT is an investment trust formed in 1981, with a fund of £2.5m. Some investments have already been made in a portfolio of U.S. and British companies and it is seeking opportunities for further investment in high technology industries.

## BERISFORD/BRITISH SUGAR

Acceptances of S. & W. Berisford's unconditional offer for British Sugar have been received in respect of 27.55m shares, representing 45.96 per cent of the share capital. On July 9 Berisford held 24.01m British Sugar shares, and has subsequently acquired a further 8.5m. As a result of acceptances of its offer, Berisford is now interested in 57.89m shares, representing 96.48 per cent of the share capital. The offer has been extended until further notice.

## ENSECOTE OFFSHOOT SOLD TO SAKAPHEN

Ensecote (Holdings), the Sheffield-based industrial lining and coatings group and a subsidiary of Newton Chambers and Company has sold its subsidiary, Ensecote Lithgow, to the West German-owned Sakaphen group of companies. Lithgow was purchased by Newton Chambers in 1979, and with Ensecote formed the basis of the Ensecote (Holdings) group. The remaining member companies, Ensecote and Corrosion, Advisory and Inspection Services, both based in Sheffield, are now to trade under their own names. The sale of our associate company to its West German parent holder will not affect our Sheffield-based facilities in any way," commented Ensecote managing director, Mr Ron Law. "In fact, we are looking forward to increasing production at Sheffield this year through new market opportunities."

## HME PROPOSALS APPROVED

Proposals have been approved for the reconstruction of Harrison's Malaysian Estates (HME) involving, inter alia, the formation of a new Malaysian holding company, Harrison Malaysian Plantations Berhad (HMPB) and the acquisition of a controlling interest therein by Permodalan Nasional Berhad. Dealings in HMPB shares are expected to commence on the London and Kuala Lumpur Stock Exchanges on October 1.

## A. MEADS SOLD

A. Meads of Cannock, mechanical handling specialist subsidiary of the Meads Engineering Group was sold on August 20, 1982 by its joint receivers and managers, Tim Brookes and Alastair Jones of Peat, Marwick, Mitchell and Co, Birmingham.

## LONDON TRADED OPTIONS

Option	Exercisable price	Closing offer	Vol.	August 23		Closing offer	Vol.	August 24		Closing offer	Vol.	Equity close
				Call	Put			Call	Put			
BP (c)	250	28	5	42	58	28	5	42	58	28	5	280p
BP (c)	250	14	56	32	51	14	56	32	51	14	56	280p
BP (c)	300	3	48	18	26	3	48	18	26	3	48	330p
BP (p)	250	7	9	18	16	7	9	18	16	7	9	280p
BP (p)	300	15	9	22	10	15	9	22	10	15	9	330p
BP (p)	350	6	3	14	10	6	3	14	10	6	3	380p
BP (c)	350	6	3	14	10	6	3	14	10	6	3	380p
BP (c)	400	14	4	20	14	14	4	20	14	14	4	430p
BP (c)	450	2	1	6	10	2	1	6	10	2	1	480p
BP (c)	450	4	3	8	16	4	3	8	16	4	3	530p
BP (c)	500	2	2	5	10	2	2	5	10	2	2	580p
BP (c)	500	2	2	5	10	2	2	5	10	2	2	630p
BP (c)	550	1	1	3	6	1	1	3	6	1	1	680p
BP (c)	550	1	1	3	6	1	1	3	6	1	1	730p
BP (c)	600	3	2	10	18	3	2	10	18	3	2	780p
BP (c)	600	3	2	10	18	3	2	10	18	3	2	830p
BP (c)	650	2	1	7	14	2	1	7	14	2	1	880p
BP (c)	650	2	1	7	14	2	1	7	14	2	1	930p
BP (c)	700	1	1	4	8	1	1	4	8	1	1	980p
BP (c)	700	1	1	4	8	1	1	4	8	1	1	1030p
BP (c)	750	1	1	4	8	1	1	4	8	1	1	1080p
BP (c)	750	1	1	4	8	1	1	4	8	1	1	1130p
BP (c)	800	1	1	4	8	1	1	4	8	1	1	1180p
BP (c)	800	1	1	4	8	1	1	4	8	1	1	1230p
BP (c)	850	1	1	4	8	1	1	4	8	1	1	1280p
BP (c)	850	1	1	4	8	1	1	4	8	1	1	1330p
BP (c)	900	1	1	4	8	1	1	4	8	1	1	1380p
BP (c)	900	1	1	4	8	1	1	4	8	1	1	1430p
BP (c)	950	1	1	4	8	1	1	4	8	1	1	1480p
BP (c)	950	1	1	4	8	1	1	4	8	1	1	1530p
BP (c)	1000	1	1	4	8	1	1	4	8	1	1	1580p
BP (c)	1000	1	1	4	8	1	1	4	8	1	1	1630p
BP (c)	1050	1	1	4	8	1	1	4	8	1	1	1680p
BP (c)	1050	1	1	4	8	1	1	4	8	1	1	1730p
BP (c)	1100	1	1	4	8	1	1	4	8	1	1	1780p
BP (c)	1100	1	1	4	8	1	1	4	8	1	1	1830p
BP (c)	1150	1	1	4	8	1	1	4	8	1	1	1880p
BP (c)	1150	1	1	4	8	1	1	4	8	1	1	1930p
BP (c)	1200	1	1	4	8	1	1	4	8	1	1	1980p
BP (c)	1200	1	1	4	8	1	1	4	8	1	1	2030p
BP (c)	1250	1	1	4	8	1	1	4	8	1	1	2080p
BP (c)	1250	1	1	4	8	1	1	4	8	1	1	2130p
BP (c)	1300	1	1	4	8	1	1	4	8	1	1	2180p
BP (c)	1300	1	1	4	8	1	1	4	8	1	1	2230p
BP (c)	1350	1	1	4	8	1	1	4	8	1	1	2280p
BP (c)	1350	1	1	4	8	1	1	4	8	1	1	2330p
BP (c)	1400	1	1	4	8	1	1	4	8	1	1	2380p
BP (c)	1400	1	1	4	8	1	1	4	8	1	1	2430p
BP (c)	1450	1	1	4	8	1	1	4	8	1	1	2480p
BP (c)	1450	1	1	4	8	1	1	4	8	1	1	2530p
BP (c)	1500	1	1	4	8	1	1	4	8	1	1	2580p
BP (c)	1500	1	1	4	8	1	1	4	8	1	1	2630p
BP (c)	1550	1	1	4	8	1	1	4	8	1	1	2680p
BP (c)	1550	1	1	4	8							



Companies and Markets

Mild coffee producers' quotas plea

LATIN AMERICAN "other milks" coffee producers are to propose that they receive a 25 per cent share of the next set of export quotas to be established by the International Coffee Organisation (ICO) next month. The nine countries involved, who grow mild varieties other than the Colombian, have just ended two days of talks, at which they agreed a common stance to take at the ICO meeting.

Cash tin at six-month high

CASH TIN rose to the highest level for six months on the London Metal Exchange yesterday. Standard grade cash tin closed £170 up at £7,210 a tonne, while the three months quotation gained £170 to £7,155.

UK grain plantings increase

WHEAT plantings in the UK rose this year by 12 per cent to a record 1.6m hectares, according to the June census issued yesterday by the Ministry of Agriculture.

Thailand mines hit

ABOUT a third of the mines in Thailand have closed in the past three years because of falling prices, according to Mr Pipat Prammohol, head of the state-run mining organisation.

India buys wheat from U.S.

INDIA BOUGHT 2.5m tonnes of wheat in the American market last week, mainly for buffer stocking.

Bumper apple crop may bring fresh fruit war

A NEW apple war with the French is looming because of a bumper harvest expected throughout Europe, except Britain.

U.S. futures proposal attacked

The London Commodity Exchange and London Metal Exchange have objected formally to proposals which would allow the Commodity Futures Trading Commission to demand information from domestic and foreign brokers and traders.

Depressed

The growers have not been helped by the state of depressed demand in the importing countries. Hopes of a pick-up in output in the third and fourth quarters of 1981 were quickly crushed.

WORLD WOOL

THE WORLD'S wool industry looks set for another difficult year as winter draws to a close in the southern hemisphere and wool-shearing gathers momentum.

LONDON OIL SPOT PRICES

Table with columns for oil types (e.g., Arabian Light, Brent) and prices per barrel.

GAS OIL FUTURES

Table with columns for gas oil futures contracts and prices.

BRITISH COMMODITY MARKET

Large table listing various commodities like base metals, silver, rubber, soyabean meal, and their market status.

PRICE CHANGES

Table showing price changes for various commodities over different periods.

AMERICAN MARKETS

Table listing American market prices for various commodities.

EUROPEAN MARKETS

Table listing European market prices for various commodities.

INDICES

Table showing financial indices like Dow Jones, FTSE 100, etc.

REUTERS

Table with Reuters news and market data.

GOLD MARKETS

Gold continued to advance in the London bullion market yesterday against a background of a soft dollar and declining world interest rates.

LONDON FUTURES

Table with London futures prices for various commodities.

COFFEE

Robustas continued to advance before retreating in somewhat erratic trading, reports Drew Burmah.

COCA

Futures closed £10 higher but failed to make the usual trade hedging of most contract sales.

COFFEE

Robustas continued to advance before retreating in somewhat erratic trading, reports Drew Burmah.

SUGAR

Tate and Lyle delivery price for granulated beets white sugar for August 2002.

INDICES

Table with financial indices.

REUTERS

Table with Reuters news.

MOODY'S

Table with Moody's credit ratings.

PUBLIC NOTICES

Intervention Board for Agricultural Produce INVITATION TO TENDER. Tenders are invited for the urgent supply of 14,600 tonnes of soft wheat.

ART GALLERIES

BLOND FINE ART, 35, Saville St., W1. EXHIBITION OF FINE ART AND CONTEMPORARY WATERCOLOURS 1982.

TRAVEL

THE SUN SHINES. We have a selection of 100 top quality holiday brochures.

CLUBS

THE PARKER GALLERY, 2, Albemarle St. Exhibition of Old Master Paintings and Ship Models.

WOL FUTURES

SYDNEY GREASY WOOL—Close (in order) buyer, seller, business.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 730 tonnes.

JUTE

JUTE—C and I Dundee BWC £283.

MEAT/FISH

SMITHFIELD—Porker and pig, East of Scotland.

TEA AUCTIONS

LONDON TEA AUCTION—19,765 packages were on offer at yesterday's auction.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Canada Cement to sell U.S. plant

By Robert Gibbins in Montreal
CANADA CEMENT LAFARGE expects to complete the sale of its Chattanooga cement plant in Tennessee to River Cement of St. Louis, following an advisory opinion issued by the Federal Fair Trade Commission in Washington.

North Borneo Timbers lifts dividend

By Our Kuala Lumpur Correspondent
NORTH BORNEO TIMBERS, one of Malaysia's leading log exporters, reports a trading profit of 16.6m ringgit (\$5.4m) for the year ended May, 1982—representing a 72 per cent improvement. Net profit is 7.2m ringgit compared with a loss of 2.1m ringgit previously. The dividend is going up to 71 cents a share, from 5 cents.

Winterthur offers \$320m for Republic Services

BY RICHARD LAMBERT IN NEW YORK

WINTERTHUR, the Swiss insurance company which last year acquired Provident Life Assurance of London, is making an agreed bid for Republic Financial Services, a Dallas-based insurance holding company. The offer is worth \$45.50 a share in cash, and values the whole company at around \$320m.

Reverse in Norway shipping group
Speculative buying pushes Mexican bonds higher

By Fay Gjester in Oslo

NORWAY'S largest shipping group, Wilhelmsen, saw profits drop in the first half of this year, despite an increase in gross freight earnings to Nkr 1,850m, from Nkr 1,720m.

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

MEXICAN BONDS recovered somewhat yesterday on speculative buying by investors anxious to lock in the very high yields they offer in the wake of the country's debt problems.

Sysco set to cash in on increased market share

BY OUR FINANCIAL STAFF

SYSCO Corporation, the largest food service wholesaler and distributor in the U.S., expects a 25 per cent rise in earnings to a record \$34m or \$1.71 a share for the year ended July 31.

Mr. Baugh said the company also planned to begin serving the fast food market, and was expanding its Compton Foods unit along the same course and meat operations.

Margins under pressure at UMW

By Wong Sulong in Kuala Lumpur

UNITED MOTOR WORKS, the Malaysian heavy industry and engineering group, has reported pre-tax profits up by 16 per cent for the six months to June. After-tax earnings were 11.2m ringgit, a 15 per cent improvement.

Playboy turns in loss for year

BY OUR FINANCIAL STAFF

PLAYBOY ENTERPRISES, the Hugh Hefner-controlled company which is trying to sell its stake in Playboy Hotel and Casino after being found unsuitable to hold casino interests, has turned in a loss of \$51.7m or \$1.64 a share for fiscal 1982, compared with a profit of \$13.7m a year ago.

Earnings per share last year were \$3.21. As a first step in connection with the bid, Republic has granted Winterthur an option to purchase newly-issued shares which will give Winterthur a stake of 9.5 per cent in the company.

For its part, Surveillance last year recorded revenues of SwFr 780.2m (\$375.1m) from activities in more than 140 countries. It increased net income from SwFr 39.7m in 1980 to SwFr 49.4m. Major shareholders include Union Bank of Switzerland and the Geneva banking house of Pictet.

Hewlett-Packard computer move

BY LOUISE KEHOE IN SAN FRANCISCO

HEWLETT-PACKARD, the U.S. electronics giant, has introduced a calculator-sized computer with the power of many desk-top machines to bridge the gap between calculators and personal computers.

Both the management and the auditors of the company had previously said they were unable to predict the loss for the year which would result from the sale of the UK gaming interests, which was forced on the board by the rejection of the application for renewal of the UK gaming licences.

Among the key witnesses which the house banking committee has yet to hear evidence from on the failure of the bank last month are Mr. Bill Jennings, Penn Square's chairman, and Mr. Robert Heffer, an Oklahoma City oil man and major borrower from Penn Square Bank.

Penn probe set to resume next month

By Paul Taylor in New York

The U.S. house banking committee investigating the collapse of Oklahoma City's Penn Square Bank is expected to resume hearing evidence next month in Washington.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these bonds see the complete list in Eurobond prices which will be published next on Tuesday September 14.

Table with columns: U.S. DOLLAR, Issued, Bid, Offer, Change on week, Yield. Lists various international bonds like Aetna Life, Amstar, etc.

Table with columns: OTHER STRAIGHTS, Issued, Bid, Offer, Change on week, Yield. Lists various straight bonds like Belf Canada, Br. Col. Tel., etc.

Table with columns: FLOATING RATE, Spread, Bid, Offer, Cdn, Ccpn, Yield. Lists floating rate bonds like Allied Irish, Br. of Tokyo, etc.

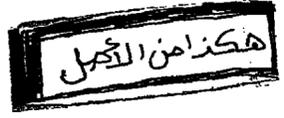
Table with columns: CONVERTIBLE, Cnv, Conv, Bid, Offer, day, Prem. Lists convertible bonds like Almonte, Bow Valley, etc.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv - Conversion rate based on share. Conv - Conversion premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

CAIXA GERAL DE DEPOSITOS (State Credit Institute of the Republic of Portugal). U.S. \$ 25,000,000 Floating Rate Certificates of Deposit due 1987. Sumitomo Finance International, Continental Illinois Limited, The Taiyo Kobe Bank (Luxembourg) S.A., Takagin International Bank (Europe) S.A., Bank of Canton of California.

REPUBLIC OF PANAMA. Kuwaiti Dinars 5,000,000 9% Notes due 1983-88 (redeemable at Noteholder's option in 1983). NOTICE OF INTEREST RATE AND INTEREST PAYMENT DATE BANCO REAL S.A. LONDON BRANCH US\$ 20,000,000. Negotiable Floating Rate Dollar Certificates of Deposit Original maturity: 18th August 1982 Extended to the 20th August 1984.

Danske Bank moves ahead in first half. By Hilary Barnes in Copenhagen. DANSCHE BANK increased first half earnings before depreciation, had debt provisions and adjustment for the market value of securities by 25 per cent from Dkr 270m to Dkr 330m (\$88.6m). The bank attributed the improvement to a general increase in the bank's activities and a sustained effort to restrict the growth of costs, which increased by 12.8 per cent.



PHILIPS

PHILIPS' LAMPS HOLDINGS (N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken)

Half-Yearly Statement to 30th June 1982

This report combines the consolidated data of N.V. Philips' Gloeilampenfabrieken and those of the United States Philips Trust.

Report on the course of business

Given the continuing difficult economic situation, the development on both sales and results was satisfactory in the second quarter of 1982. Sales volume rose by 7% as compared with the corresponding quarter of 1981; profit after tax amounted to 1.2% as a percentage of sales (0.8% last year). The extent of the improvement in the second quarter of 1982 as compared with the corresponding quarter of last year must also be seen against the background of the very low level of results in the second quarter of 1981.

Sales in terms of volume rose by 6% in the first half year. Movements in foreign exchange rates, particularly the decreases in some important West European currencies, and the charges resulting from new and discontinued consolidations, had a negative effect on the development of the sales figures in guilders. This effect was partly compensated for by the increased price level so that on balance there was a resultant growth of 5% in terms of guilders. Trading profit increased by 10% to f1,152 million because partly as a result of the restructuring measures the improvement in trading profit in Europe was considerably greater than the decrease in the United States of America.

The increased sales in the product sectors Home Electronics for Sound and Vision and Products and Systems for Professional Applications were well above the average for the Group as a whole. The sharp rise in Home Electronics for Sound and Vision is mainly attributable to the sales of colour television sets and video cassette recorders which were greatly stimulated by the World Cup Football Finals.

In Products and Systems for Professional Applications there was a substantial growth in the sales of word processors; in addition, sales of medical equipment developed favourably in the United States of America. In spite of considerably higher sales of colour picture tubes there was only a slight increase in turnover in the product sector Industrial Supplies. This is attributable to the unfavourable market situation for integrated circuits, although a slight improvement has been evident here in recent months.

The growth in the sales of Lighting and Batteries was also below average, the main cause being the continuing adverse situation in the building construction market.

The geographical distribution of the sales growth in terms of guilders was strongly influenced by the decline in the foreign exchange rates of a number of West European currencies which are important to us and the rise in the rate of the US dollar. Disregarding these factors and the influence of new and discontinued consolidations, an equally high growth occurred in virtually all geographical areas. After some years of declining sales in the Netherlands, slight growth was again achieved in the first half year of 1982.

The improvement in trading profit was mainly realised in the product sector Home Electronics for Sound and Vision. In addition to the favourable development in sales, the effects of the restructuring measures were clearly evident in the results. This was also the case in the product sector of Industrial Supplies where they led to a substantial improvement in the results in Western Europe. The poor course of business in integrated circuits in the United States of America, however, had a strong negative effect on the trading profit in this product sector.

Viewed geographically there was an improvement in trading profit in Europe, while a decline occurred in the geographical areas of USA and Canada, Asia and Africa. Stocks as a percentage of sales, which fell by 6.4% as compared with the level at 30 June 1981, were affected by movements in exchange rates. If the effects of this are eliminated the relative stock level has gone down by approximately 3%. The credit period was maintained at the level of 2.4 months.

The decrease of 3,700 in the number of employees in the first six months of 1982 occurred in all product sectors. Viewed geographically, substantial decreases took place in the EEC, Latin America and the Far East.

Despite the fact that there is still no recovery in the economy, we maintain our expectation that the sales volume for 1982 will increase by between 5 and 6% and that the level of the results for the year as a whole will be slightly higher than last year.

Table with columns: Amounts in millions of guilders, 1982, 1981\*. Rows include Sales (10,820 vs 10,083), Trading profits (591 vs 508), Profit after tax (207 vs 165), and various other metrics.

Table with columns: At end of June, 1982, 1981. Rows include Stocks as a percentage of sales (29.5 vs 35.9), Average credit period (2.4 vs 2.4), Liquid assets (1,016 vs 1,050), etc.

The profit before tax based on current value was f 472 million in the first half year of 1982 compared with f 498 million in the first half year of 1981. In calculating profit and capital employed, allowance has been made for an estimated proportion of those provisions which, as anticipated, will have to be made at the end of the financial year.

N.V. Philips' Gloeilampenfabrieken THE BOARD OF MANAGEMENT Eindhoven, 19 August 1982.

Exchange gains boost Toyota Motor

By Yeko Shibata in Tokyo

TOYOTA MOTOR, Japan's largest car manufacturer, reports higher profits for the year-ended June, 1982, despite lower volume sales. The upturn is attributed primarily to foreign exchange gains resulting from the weakness of the yen.

This is the final business report for Toyota Motor, as previously constituted. The company merged with Toyota Sales on July 1, to form a new company.

Unconsolidated operating profits jumped by 34.6 per cent higher at Y141,590m, on sales of Y3,849.9m, up 3.5 per cent.

Unit sales declined by 99,158 to 3,155,784 with passenger car sales of 2,235,260 units, down by 41,728. Sales of trucks and buses dipped to 920,524 units, down by 57,430.

Domestic unit sales improved but exports declined. In order to cover the fall in unit sales, the company increased knockdown sales by 35,680 units to 132,550.

Exchange gains during the year totalled Y120.9m and the impact of rationalisation was worth Y19.7m.

This year the value of sales by the new company is expected to reach Y4,800m and unit sales are forecast to reach 3.3m. The company plans to step up its domestic sales to 1.67m units from 1.5m in 1981-82, but a 25,000 unit fall in exports is expected to 1.63m.

The company cannot count on a further depreciation of the yen in 1982-83 and higher material costs such as for steel are expected. Earnings are therefore forecast to stay at the 1981-82 level.

Capital spending of Y260m is planned for the year, an advance of 30 per cent over 1981-82.

Samurai bond limits under discussion

By Richard C. Hansen in Tokyo

DISCUSSION IS under way within the Japanese securities industry on the idea of reducing the amount a single borrower can raise in one Samurai bond — the yen denominated bonds issued by foreigners in Japan.

The proposal is still very much in the formative stage, but the idea apparently emerged after the U.S. Government complained about how long borrowers had to queue to issue the bonds.

By reducing the amount of each bond, the total number of issues is argued, could be allowed to increase.

This could mean that next year the current limit of Y20bn (\$78.4m) for a top rated borrower (Y30bn for the World Bank) could drop by say Y5bn. Since July the limit on private placements of Samurai bonds has been reduced to Y5bn from Y10bn in order to let more issuers into the market.

Some underwriters, however, are not keen on the idea. Such a cut in the ceiling would certainly be unwelcome to major borrowers. There is at least some chance that changing market conditions (yen interest rates have risen slightly while dollar rates have drifted downward) will prompt a natural reduction in the queue.

A Japanese financial daily has claimed that underwriters and the Finance Ministry are more or less agreed to go ahead with a lowering of the ceiling starting next year. The Finance Ministry has called the report misleading but the main participants in the securities industry are expected to come up with some sort of reaction to the plan by the end of September.

This calendar year over 50 Samurai bond issues will have been made, in recent months at a pace of four to five issues per month, totalling about Y70.80bn. Underwriters seem mostly satisfied with continuing next year at about the same pace.

Hoechst interim earnings dip as margins suffer

By Kevin Done in Frankfurt

HOECHST, THE leading West German chemicals group, suffered a fall of 20.5 per cent in group pre-tax profits to DM 558m (\$227m) in the first half of 1982.

The performance underlines the pressure on profit margins in the chemicals industry coming in the wake of last week's announcement by BASF, one of the company's leading domestic rivals, of a 34.9 per cent drop in pre-tax profits.

Hoechst's turnover worldwide increased by only 4.5 per cent to DM 17.92bn compared with the corresponding period last year, while volume sales increased by around 3 per cent. Turnover figures expressed in

D-Marks show a smaller rise than in national currencies following exchange rate movements, particularly within the European Monetary System.

The small rise in sales was achieved exclusively abroad with foreign sales rising by 6.4 per cent in the first six months to DM 13.14bn, while domestic sales declined marginally by 0.3 per cent to DM 4.78bn.

Hoechst has been hit hard by the recession in important customer industries in the U.S., where its local subsidiary American Hoechst, has slipped into losses.

The group is also continuing to run up a big deficit in its commodity plastics operations,

where it accumulated pre-tax losses of DM 220m last year.

Hoechst profits have also been falling in several Latin American countries. It is suffering too from the general weakness of the petrochemicals industry.

The main growth areas remained pharmaceuticals as well as information technology, dyestuffs and pigments, and surfactants.

The group's synthetic fibres side, which returned to the black in 1981 after running up substantial losses for several years, performed satisfactorily in Europe. But the business has suffered further setbacks in the U.S.

Norsk Data well ahead so far

By Fay Gjester in Oslo

NORSK DATA, the Norwegian computer manufacturer, reports slightly increased turnover and profits for the first half of 1982.

Pre-tax profits rose by 143 per cent from Nkr 5.1m to Nkr 12.4m (\$1.87m), while total operating income was 37 per cent up, at Nkr 256m, against Nkr 187m. Orders booked in the half-year, for hardware, software and maintenance — were worth Nkr 266.5m compared with Nkr 198.8m.

The company says it regards the satisfactory results as a sign of its growing competitiveness.

Most of the increase in sales took place on the European market, during a period when Norsk Data's U.S. competitors reported very little growth in business, particularly in Europe.

The company expects sales, as in earlier years, to be much higher in the current half of the year. Moreover, it is expected that the greater part of the year's profit will be earned in the second half. So far this year "great pro-

gress" had been made on the UK market, where the company is now conducting its hitherto largest and most highly concentrated effort outside Norway.

The half-year report also commented on the competitive advantage of a strong dollar.

"Most of our competitors are American firms who have roughly 50 per cent of the expenditure in dollars when operating on the European market, whereas less than 20 per cent of Norsk Data's costs are in the U.S. currency."

Debt provisions hit Dutch bank

By Walter Ellis in Amsterdam

NET PROFIT at Nederlandse Credietbank, the fifth-largest Dutch commercial bank, fell by 40 per cent to F1 5.7m (\$2.1m) in the first six months of this year compared with the first-half of 1981.

As with other Dutch banks this year—the expansion of the provision for bad debts was largely to blame. Between January and June this year, F1 27m was transferred to the provision for contingencies, against F1 24.3m in the previous

half year and F1 17.7m in the first six months of 1981.

Most other items on the income side of the bank's six-month results are positive. Interest and foreign exchange trading rose from F1 91.3m to F1 97.8m. Fees and securities trading brought in F1 54.2m against F1 50.2m, and total income reached F1 152m compared to F1 141m.

Gross earnings were F1 33.3m, compared with F1 29.8m, but the debt provisions cut a swathe

through this amount as company bankruptcies continued to mount in the Netherlands.

In common with other Dutch banks, Credietbank attributes its situation to the effects of the continuing economic recession. It expects little improvement in the current half of 1982 and foresees a reduction in the dividend for the 12 months.

First half 1982 net profits at Westland Utrecht Hypotheekbank totalled F1 21m, and not F1 50m as stated on Saturday.

Packer group reveals stake in Hooker

By Lachlan Drummond in Sydney

MR KERRY PACKER'S Consolidated Press Holdings has built up a 10.48 per cent stake in Hooker Corporation, the Sydney property group.

Mr Packer's magazine and television group has been building its holdings for almost a year but this was revealed only yesterday after purchases last week took the stake through the 10 per cent point at which companies are required to show their hands. Hooker, meanwhile, has been seeking to find the identity of nominee groups which had been active in its shares for some time.

Consolidated Press has not revealed its intentions, but Hooker is susceptible to a takeover as directors are believed to speak for only about 15 per cent of the capital.

Hooker shares have a net asset backing of more than 90 per cent. Mr Packer's group made its purchases at between an adjusted AS1.17 per share in November last year and 87 cents last Thursday, when 582,000 shares, nearly 0.5 per cent, were picked up.

Higher profit and payout from Westfield Holdings

By Our Sydney Correspondent

WESTFIELD HOLDINGS, the Sydney-based property and construction group, boosted net earnings by 17.35 per cent to A\$6.08m (\$5.93m) in the year to June 30 on revenues 42 per cent higher at A\$92.61m.

The result reflects a slowdown in earnings growth from 20 per cent in the opening six months to 15 per cent in the second half year.

The increase in revenues resulted from both higher building activity and improved income from the shopping centres in which it specialises, the company says.

Directors are confident of further satisfactory growth in the current year and are paying out 50 per cent more in dividends at A\$1.63m, with a final payment steady at 10 cents a share on capital increased by a one-for-one scrip issue. The unchanged 5 cents per share interim dividend was paid on pre-bonus capital.

The result was struck after tax of A\$3.1m against A\$2.73m and interest charges ahead from A\$4.83m to A\$5.65m. Depreci-

ation was A\$100,000 higher, at A\$580,000.

The result excluded a A\$82,000 capital profit from the sale of fixed assets while last year there was a A\$156,000 tax recovery. Attributable profit this year was A\$6.47m against A\$5.32m.

NET PROFIT of Pacific Film, the Sydney film processing and photographic sales group, fell by 18.4 per cent in the year to June 30 to A\$2.68m after a 43.2 per cent slump in A\$954,000 in the first six months. Turnover was 8.7 per cent higher at A\$82.5m.

The decline in earnings, after a decade of, at times, spectacular growth, will ease the way for the A\$23m bid for the company by Mr Kerry Stokes, a Perth businessman. Directors of Pacific have already recommended acceptance of the 60 per cent share bid from Mr Stokes, who has built a 19.9 per cent holding.

The company blames the fall in profits on extremely difficult trading conditions and increasing wage costs.

Static second half for Monier

By Our Sydney Correspondent

HIGH INTEREST rates and depressed housing markets held Monier, the building products group in which Redland of the UK has a substantial holding, to a 9 per cent increase in net earnings for the year to June 30.

Earnings almost came to a standstill in the final six months after a 12 per cent rise in the opening period, for an annual

total of A\$15.57m against A\$14.34m. Sales were 27 per cent higher at A\$415.1m.

Profit was struck after a 52 per cent increase in the interest bill to A\$12.01m and tax of A\$13.1m, compared with A\$10.73m.

Results include an unspecified contribution from the Rocla group acquired early in the year

and Monier said it has begun to benefit from the rationalisation of the concrete pipe industry resulting from the takeover.

An unchanged annual dividend of 11 cents is to be paid although the cost of the payout will rise from A\$9.5m to A\$12.1m because of the shares issued in the acquisition.

Advertisement for Bancó Latinoamericano de Exportaciones S. U.S. \$25,000,000 Floating Rate Notes Due 1984. Merrill Lynch International Bank Limited Agent Bank.

Advertisement for Trade Development Financial Services N.V. U.S. \$40,000,000 Guaranteed Floating Rate Notes Due 1986. Credit Suisse First Boston Limited Agent Bank.

Large advertisement for First Chicago Overseas Finance N.V. U.S. \$100,000,000 Guaranteed Floating Rate Subordinated Notes Due 1994. Includes logos for Salomon Brothers International, S.G. Warburg & Co. Ltd., First Chicago Limited, Bank of Tokyo International, Banque Paribas, Deutsche Bank Aktiengesellschaft, Banque Nationale de Paris, County Bank Limited, Swiss Bank Corporation International.

Companies and Markets

WORLD STOCK MARKETS

Dow ahead 9.7 more by 1pm

NEW YORK Stock table with columns for Stock, Aug 23, Aug 24, and various market indices like Dow Jones, S&P 500, and NYSE All Common.

World Stock Markets table listing various international markets including Australia, Canada, France, Germany, Hong Kong, Japan, and South Africa, with columns for Stock, Price, and Change.

Market analysis and news articles. Includes 'Dow ahead 9.7 more by 1pm', 'Canada', 'Germany', 'Tokyo', 'Australia', 'Johannesburg', and 'Hong Kong' sections.

Financial Times logo and footer information including copyright and publication details.

Companies and Markets

LONDON STOCK EXCHANGE

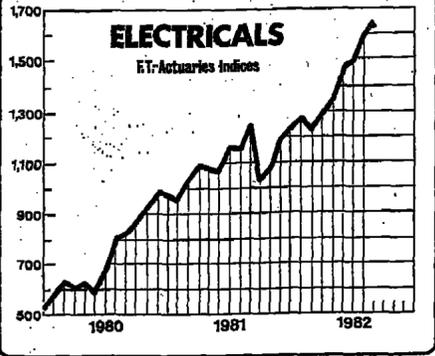
Interest rate optimism takes Gilt-edged higher still but equities react on troubled UK industrial scene

Account Dealing Dates

\*First Declared Last Account Dealings (Days) Dealings Day Aug 16 Sept 2 Sept 3 Sept 12 Sept 6 Sept 16 Sept 17 Sept 27 Sept 28 Sept 30 Oct 1 Oct 11

3,000 jobs in the British Steel industry and the lay-offs at BL and Dunlop.

Last Friday's sharp advance on Wm Street bolstered confidence initially and prompted jobbers to open leading industries higher. Institutional buyers, however, were not prepared to chase prices higher and the tone wilted as persistent small offerings found most equity sectors unwilling.



Life Insurance a further improvement of 4 to 254p and Legal and General edged forward 2 more to 277p, but Britannic lost 6 to 272p and Equitry Law softened 2 to 454p.

Home Banks loner

The major clearing banks made a quietly dull start to the week with sentiment still affected by the Mexican financial crisis and by recent comment highlighting the effects of lower base rates on profits.

AGB Research down

AGB Research took a distinct turn for the worse as miscellaneous industrials, falling 17 to 275p, after 270p, on adverse Press comment.

Currys good again

Lack of investment incentive left major stores slightly easier. Press comment advising caution and a move to 280p, after 292p.

RECENT ISSUES

Table of recent issues including Anglo-Wardle Sp, Argyl Foods Warr, etc. with columns for issue price, date, and stock price.

FIXED INTEREST STOCKS

Table of fixed interest stocks including Anglo-Wardle Sp, Argyl Foods Warr, etc. with columns for issue price, date, and stock price.

"RIGHTS" OFFERS

Table of rights offers including Anglo-Wardle Sp, Argyl Foods Warr, etc. with columns for issue price, date, and stock price.

ACTIVE STOCKS

Table of active stocks including Anglo-Wardle Sp, Argyl Foods Warr, etc. with columns for issue price, date, and stock price.

FRIDAY'S ACTIVE STOCKS

Table of Friday's active stocks including Anglo-Wardle Sp, Argyl Foods Warr, etc. with columns for issue price, date, and stock price.

FINANCIAL TIMES STOCK INDICES

Table of financial times stock indices including Government Secs, Fixed Interest, Industrial Ord, etc.

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Table of high and low stock prices for various sectors.

S.E. ACTIVITY

Table of S.E. activity including Gilt-edged, Bargaains, etc.

NEW HIGHS AND LOWS FOR 1982

Table of new highs and lows for 1982 across various sectors.

Table of FT-Actuaries Share Indices for Mon Aug 23 1982, listing various equity groups and sub-sections.

Table of Rises and Falls Yesterday, listing various sectors and their price changes.

Table of Options, listing various options and their prices.

Table of World Value of the Pound, listing various countries and their exchange rates.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices for Mon Aug 23 1982, listing various equity groups and sub-sections.

FIXED INTEREST

Table of fixed interest rates including British Government, 15 years, etc.

NEW HIGHS AND LOWS FOR 1982

NEW HIGHS (210) BRITISH FUNDS (58) INT. SEC. & OVERSEAS GOVT. SEC. ISS. (1) COM. WEALTH & AFRICAN LOANS (2)

Table of new highs and lows for 1982 across various sectors.

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Table of rises and falls yesterday across various sectors.

OPTIONS

Table of options including First Last For Dealings, etc.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on August 23 1982.

Table of world value of the pound, listing various countries and their exchange rates.

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The table below gives the latest available rate of exchange for the pound against various currencies on August 23 1982.

Table of world value of the pound, listing various countries and their exchange rates.

\* First yield, high and low recent, base rates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the publishers, The Financial Times, Bracken House, Cannon Street, London, EC4A 3DF, price 15p, by post 20p.

Companies and Markets CURRENCIES and MONEY

Dollar soft

Dollar showed little change in this foreign exchange trading. Hopes of a cut in the Federal Reserve discount rate on Friday were not fulfilled, and this lent some support to the U.S. currency, but the overall trend remained soft. The injection of \$1bn of funds into the money market by the Federal Reserve shortly before the London close produced little reaction, as the dollar moved up slightly in late trading.

Sterling was firm throughout, rising against the dollar and Continental currencies. DOLLAR — Trade-weighted index (Bank of England) was unchanged at 120.2 against 112.5 six months ago. Three-month Treasury bills 7.50 per cent. (12.40 per cent six months ago). Annual inflation 7.1 per cent (6.7 per cent previous month). The dollar eased to DM 2.4525 from DM 2.4500 against the D-mark; to SwFr 2.07 from SwFr 2.0730 against the Swiss franc; and to ¥254.50 from ¥254.75 in terms of the Japanese yen, but rose to Ffr 6.675 from Ffr 6.655 against the French franc.

STERLING — Trade-weighted index 91.6 against 91.6 at noon, 91.5 in the morning, 91.2 at the close, a rise of 35 points on the day. Sterling rose to DM 2.4525 from DM 2.4500, to SwFr 2.07 from SwFr 2.0730, and to ¥254.50 from ¥254.75. Three-month interbank 10.2 per cent (14.1 per cent six months ago). Annual inflation 8.7 per cent (13.2 per cent previous month). The pound opened at \$1.7360-7370, its lowest level of the day, and rose steadily to a peak of \$1.7470-1.7480 in the afternoon, before easing to \$1.7460-1.7470 at the close, a rise of 35 points on the day. Sterling rose to DM 2.4525 from DM 2.4500, to SwFr 2.07 from SwFr 2.0730, and to ¥254.50 from ¥254.75.

MARK — EMS member (weakest). Trade-weighted index 125.2 against 125.4 on Friday and 121.7 six months ago. Three-month interbank 8.52 per cent (10.22 per cent six months ago). Annual inflation 5.6 per cent (5.8 per cent previous month). The D-mark was slightly weaker at the Frankfurt fixing, declining against the dollar, Japanese yen and Swiss franc. The Bundesbank sold \$5.65bn when the U.S. currency was fixed at DM 2.4500, compared with DM 2.4570 in fairly quiet and listless trading, and the German central bank did not appear to be active on the open market. The Swiss franc rose to DM 1.8145 from DM 1.7781, and the French franc rose to DM 35.7860 from DM 35.7000, Sterling fell to DM 4.2780 from DM 4.28.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, Six months. Rows include U.S., Canada, Belgium, Denmark, Portugal, Spain, Norway, Italy, France, Sweden, Japan, Austria, Switzerland.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, Six months. Rows include U.S., Canada, Belgium, Denmark, Portugal, Spain, Norway, Italy, France, Sweden, Japan, Austria, Switzerland.

CURRENCY RATES

Table with columns: Bank, Special Drawing Rights, European Currency Unit. Rows include Sterling, U.S. dollar, Australian dollar, Canadian dollar, Hong Kong dollar, Japanese yen, New Zealand dollar, Singapore dollar, South African rand, U.A.E. Dirham.

CURRENCY MOVEMENTS

Table with columns: Bank, Morgan Guaranty Index, Changes. Rows include Sterling, U.S. dollar, Australian dollar, Canadian dollar, Hong Kong dollar, Japanese yen, New Zealand dollar, Singapore dollar, South African rand, U.A.E. Dirham.

OTHER CURRENCIES

Table with columns: Aug 23, Aug 24, Note Rates. Rows include Argentina peso, Australian dollar, Brazil cruzeiro, Finland markka, Greek drachma, Hong Kong dollar, Japanese yen, New Zealand dollar, Singapore dollar, South African rand, U.A.E. Dirham.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, % change, Divergence. Rows include Belgium franc, Danish krone, German D-mark, French franc, Dutch guilder, Irish punt, Italian lira.

EXCHANGE CROSS RATES

Table with columns: Aug 23, Pound sterling, U.S. dollar, Deutschmark, Japanese yen, French franc, Swiss franc, Dutch guilder, Italian lira, Canada dollar, Belgian franc.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 23)

Table with columns: 3 months U.S. dollars, 6 months U.S. dollars. Rows include bid 10 1/4, offer 10 5/8, bid 11 1/4, offer 11 3/8.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: Aug 23, Sterling, U.S. dollar, Canadian dollar, Dutch guilder, Swiss franc, D-mark, French franc, Italian lira, Belgian franc, Yen, Danish krone.

MONEY MARKETS

Dealing rates steady. UK clearing bank base lending rate 11 per cent (since August 17 and 18). The Bank of England did not change its dealing rates with the money market yesterday, but probably gave more help than the underlying shortage indicated. The early morning forecast was for a shortage of £100m, but this was revised to £150m in the afternoon.

The main factors influencing the market were: bills maturing in official hands and a net market take-up of Treasury bills £53m, partly offset by Exchequer transactions of £320m, and a fall in the note circulation of £180m. Before lunch the authorities bought only £2m bank bills in hand 2 (15-25 days) at 11 per cent, and in the afternoon managed to acquire only another £20m by direct purchases, once again illustrating money market expectations of lower interest rates in the near future. The bank bills in hand 1 (up to 14 days) at 11 per cent, and £24m in hand 2 at 11 per cent. The rest of the help was made up of £156m bills bought for purchase by the market on September, at an interest rate of 11 per cent.

LONDON MONEY RATES

Table with columns: Prime rate, Fed funds, Treasury bills, GERMANY, FRANCE, JAPAN.

EUROCURRENCIES

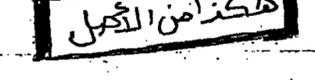
French rates ease. Euro French franc interest rates showed a slightly easier trend yesterday, and the franc's forward discount against the dollar narrowed slightly. On the other hand Eurodollar rates firmed, and forward discounts against the dollar widened as the Italian currency came under renewed selling pressure and weakened in the European Monetary System.

Eurodollar rates reacted to the recent sharp fall, and continued the slight upward trend seen at the end of last week. Eurodollar rates were also a little firmer.

FT UNIT TRUST INFORMATION SERVICE

Large table listing various unit trusts and authorized trusts. Columns include trust names, managers, and other details. Includes sections for 'AUTHORIZED TRUSTS' and 'UNIT TRUST MANAGERS'.

Vertical text on the left margin, possibly a page number or reference code.



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INSURANCE & OVERSEAS MANAGED FUNDS

Table listing various insurance and managed funds, including company names, fund names, and numerical values.

Table listing various insurance and managed funds, including company names, fund names, and numerical values.

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NOTES
Prices are in pence unless otherwise indicated and where designated 'p' with no prefix refer to U.S. dollars. Values shown in last column refer to the value of the fund's assets in U.S. dollars as at the end of the reporting period. The fund's assets are valued in U.S. dollars at the end of the reporting period. The fund's assets are valued in U.S. dollars at the end of the reporting period.



FT SHARE INFORMATION SERVICE

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Table of building societies data.

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Table of engineering and machine tools industry data.

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Table of hotels and caterers industry data.

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Table of beer, wine, and spirit industry data.

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Table of commonwealth and African loan data.

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Company Profile Service

Advertisement for Company Profile Service, including contact information and service details.

CHEMICALS, PLASTICS

Table of chemical and plastic industry data.

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Table of food, groceries, and other industry data.

McCarthy Information Ltd.

Advertisement for McCarthy Information Ltd., including contact details and services.

McCarthy Information Ltd.

Advertisement for McCarthy Information Ltd., including contact details and services.

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INDUSTRIALS—Continued

Table of industrial stocks including Johnson & Johnson, Amgen, and various pharmaceutical and chemical companies.

LEISURE—Continued

Table of leisure stocks including Sunair, Sunair Holidays, and other travel-related companies.

PROPERTY—Continued

Table of property stocks including British Land, National Westminster, and other real estate companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including various funds and trusts offering different asset classes.

OIL AND GAS—Continued

Table of oil and gas stocks including BP, Shell, and other energy companies.

NOMURA logo and text: 'Japan's leader in international securities and investment banking'.

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Table of mining stocks categorized by region: Central African, Australian, and Tins.

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Table of motor and aircraft trade stocks including various automotive and aerospace companies.

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Table of shoes and leather goods stocks including various retail and manufacturing companies.

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Table of overseas trader stocks including companies that trade internationally.

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Table of paper and printing stocks including companies in the paper industry.

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Table of tobacco stocks including various tobacco companies.

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Table of plantation stocks including various agricultural and land management companies.

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Table of insurance stocks including various insurance companies.

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Table of property stocks including various real estate and land companies.

FINANCE, LAND, etc.

Table of finance, land, and other stocks including various financial and real estate entities.

OIL AND GAS

Table of oil and gas stocks including various energy companies.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including various precious metal companies.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

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Table of regional and Irish stocks including various companies from these regions.

OPTIONS

Table of options contracts including various call and put options.

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GM chief warns Japanese on exports

By Kenneth Gooding, Motor Industry Correspondent, in Detroit. A WARNING to the Japanese motor industry that it should quickly offer to continue its voluntary restraint on car shipments to the U.S. has been issued by Mr James McDonald, president of General Motors...

Lebanese elect Christian militia leader as president

BY STEWART DALBY AND NORA BOUSTANY IN BEIRUT

MR BACHIR GEMAYEL, the 34-year-old commander of the right-wing Christian Phalangist militias, was yesterday elected president of Lebanon, amid violence and despite opposition from Moslem and left-wing forces...

Dresser forced to send gasoline equipment

By David White in Paris, and Paul Taylor in New York

DRESSER-FRANCE, the U.S.-controlled company caught between conflicting French and U.S. instructions over the Siberian gas pipeline contract, has received a formal demand from the French authorities to go ahead with its share of the deal...

Capacity crunch in chemicals

THE LEX COLUMN

Index fell 4.1 to 576.5

Only a few months ago, the stock market was confidently expecting ICI to match up 1982 profits well in excess of last year's £335m pre-tax and to make some gesture towards restoration of its 1979 dividend...

months. And, after a period of sustained weakness, their shares are receiving strong support from a prospective yield which, in the case of Hoechst and Bayer, is about 14 percentage points above the return on long term DM bonds...

on the belief that interest rates are heading downward, this has probably dried up. Meanwhile, as gold becomes cheaper to hold and the dollar starts to slip, there have been some modest signs of renewed speculative interest from the U.S. and Europe...

De Lorean role hinders deal

BY JOHN GRIFFITHS

THE GAP between the Government and an unnamed UK consortium over the terms for taking over Belfast's De Lorean car plant is "insignificant", officials close to the consortium said yesterday.

and seller of Belfast output, which would recognise that De Lorean had failed as a manufacturing enterprise. The consortium believes Mr De Lorean will be unable to complete his own rescue attempt and has thus stepped back from further negotiations until September 1.

consortium officials say that if a deal is agreed, "it can be expected that the necessary funds (£15m) will be provided." The Government has also rejected the consortium's request to underwrite about £100,000 in capital-raising fees, raising speculation about the consortium's resources.

Rescue hopes for 4,000 jobs

BY TIM DICKSON

HOPES of saving several well-known British companies currently in receivership rest on discussions taking place this week. More than 4,000 jobs in the furniture, toy, engineering, and cutlery industries are at stake.

Many more jobs were under threat at Lesney Products, north London, the publicly quoted toys group where Mr Parsons and Mr Agutter were also called in as joint receivers on June 11.

people at its Falkirk and Glasgow factories, called in the receivers earlier this month in the face of mounting losses. More than 200 inquiries were received in the 10 days following the announcement.

TUC membership Continued from Page 1

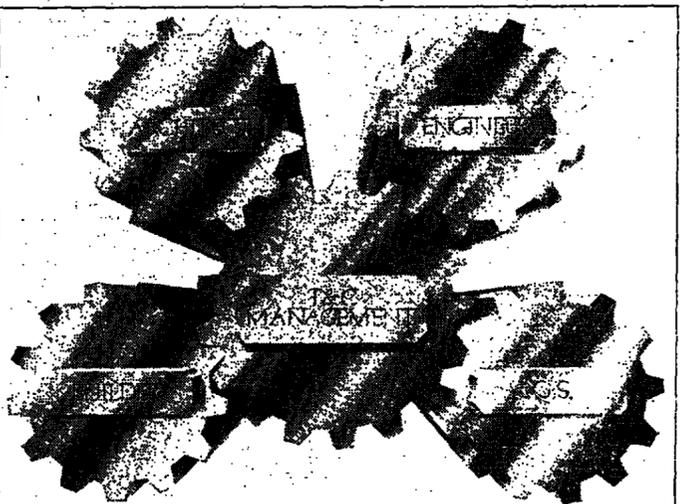
about 13 per cent in 1981, reflecting both an expansion of services and the cost of extensive campaigning, particularly against the Employment Bill.

It goes on to warn: "Should the position deteriorate, the TUC General Council will need to re-examine the position, which will in any event need to be carefully scrutinised in 1983 in the light of developments."

Video market Continued from Page 1

reached nearly 6m units, about 60 per cent above the same period in 1981 according to the Electronic Industries Association of Japan. Yet some estimates expect 1982 production to be only 10 to 30 per cent up.

whether it will remain in the market. Although stocks have also been rising in the UK, there still appears to be considerable strength in sales at a retail level according to Currys, Rumbelows and Comet. According to Mr Terry Curry, chief executive of Currys, demand has continued to be strong in the last two months although not as high as just before the World Cup earlier in the summer.



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